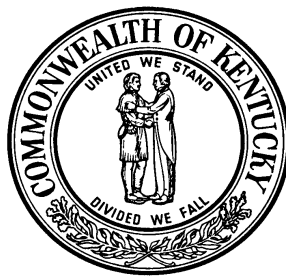


**REPORT OF THE AUDIT OF THE  
KNOTT COUNTY  
FISCAL COURT**

**For The Fiscal Year Ended  
June 30, 2008**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

**209 ST. CLAIR STREET  
FRANKFORT, KY 40601-1817  
TELEPHONE (502) 564-5841  
FACSIMILE (502) 564-2912**





**CRIT LUALLEN**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky

Honorable Steven L. Beshear, Governor

Jonathan Miller, Secretary

Finance and Administration Cabinet

Honorable Randy Thompson, Knott County Judge/Executive

Members of the Knott County Fiscal Court

The enclosed report prepared by Simon, Underwood & Associates PSC, Certified Public Accountants, presents the fourth quarter financial statement of Knott County, Kentucky, as of and for the year ended June 30, 2008.

We engaged Simon, Underwood & Associates PSC to perform the audit of this financial statement. We worked closely with the firm during our report review process; Simon, Underwood & Associates PSC evaluated Knott County's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

Crit Luallen

Auditor of Public Accounts

Enclosure





**EXECUTIVE SUMMARY**

**AUDIT EXAMINATION OF THE  
KNOTT COUNTY FISCAL COURT**

**June 30, 2008**

Simon, Underwood & Associates PSC was engaged to audit the financial activities of the Knott County, Kentucky for fiscal year ended June 30, 2008 and we have issued a disclaimer of opinion thereon. In accordance with OMB Circular 133, we have also issued an unqualified opinion on the compliance requirements that are applicable to Knott County's major federal programs: Community Development Block Grant (CDFA #14.228) and Environmental Protection Construction Grant (CFDA #66.458), for the year ended June 30, 2008.

Based on our assessment of fraud risk, we determined the risk for fraud to be too high and we were unable to apply other procedures to overcome this fraud risk. In addition, the Fiscal Court had serious weaknesses in the design and operation of its internal control procedures and accounting functions. Furthermore, management elected to override the internal control procedures that were in place. We were unable to apply audit procedures to test for appropriate compliance with statutory, contractual, and administrative regulations, except for the major federal programs listed in the previous paragraph which were administered by third party administrators, Department for Local Government (DLG) requirements, and county administrative code requirements. Because of this, we were also unable to determine if ethics violations occurred. In addition, we were not able to access certain fiscal court records needed to adequately conduct our procedures due to the county's failure to provide certain requested documentation. The significance of these issues, in the aggregate, prevents us from expressing an opinion and we do not express an opinion on the financial activities of the Knott County, Kentucky.

**Report Comments:**

2008-01	Over \$8.2 Million In Public Funds Were Expensed For The Knott County Youth Foundation By Fiscal Court Without A Formal Agreement Between The County And The Youth Center With \$2.7 Million Being Spent Without Land Ownership
2008-02	\$412,035 In Public Funds Were Used For Knott County Adventure Tourism Park System (ATV Center) While On Private Property
2008-03	Knott County Fiscal Court Lacks Controls Over County Vehicles And Cell Phones Provided To County Employees
2008-04	Knott County Fiscal Court Failed To Take Corrective Action Of The Prior Year Ended June 30, 2005 Comment Relating To Restricted Funds
2008-05	All Contingent Liabilities Should Be Disclosed To The Fiscal Court
2008-06	The County Failed To Comply With State Laws And Regulations
2008-07	Knott County Fiscal Court Did Not Follow Competitive Bidding Requirements For County Projects
2008-08	Knott County Fiscal Court Should Improve Controls Over Payroll Procedures
2008-09	Knott County Fiscal Court Expenditures Of Over \$254,931 Failed To Have Proper Documentation Or Comply With Payment Procedures
2008-10	The County Should Maintain Complete And Accurate Capital Asset Schedules To Comply With GASB 34 Requirements
2008-11	The County Does Not Maintain Proper Documentation Totaling \$18,000 For An Independent Contractor

EXECUTIVE SUMMARY  
AUDIT EXAMINATION OF THE  
KNOTT COUNTY FISCAL COURT  
June 30, 2008  
(Continued)

**Report Comments:** (Continued)

2008-12	Fiscal Court Paid \$708 In Late Fees On Credit Card Payments
2008-13	Fiscal Court Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits

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*Simon,  
Underwood &  
Associates* PSC

Certified Public Accountants and Consultants

To the People of Kentucky  
Honorable Steven L. Beshear, Governor  
Jonathan Miller, Secretary  
Finance and Administration Cabinet  
Honorable Randy Thompson, Knott County Judge/Executive  
Members of the Knott County Fiscal Court

Independent Auditor's Report

We were engaged to audit the financial activity contained in the Fourth Quarter Report of Knott County, Kentucky, as of and for the year ended June 30, 2008. The financial activity is the responsibility of the Knott County Fiscal Court.

The financial activity contained in the Fourth Quarter Report is intended to present budgeted and actual revenues and expenditures of Knott County, Kentucky on the cash basis of accounting and also the long-term debt of Knott County, Kentucky. Actual revenues and expenditures are recognized when received or paid rather than when earned or incurred. The presentation of the financial activity contained in the Fourth Quarter Report is not intended to be a presentation in conformity with generally accepted accounting principles.

Based on our assessment of fraud risk, we determined the risk of fraud to be too high, and we were unable to apply other procedures to overcome this fraud risk. In addition, the Fiscal Court had serious weaknesses in the design and operation of its internal control procedures and accounting functions. Furthermore, management elected to override the internal control procedures that were in place. We were unable to apply audit procedures to test for appropriate compliance with statutory, contractual, and administrative regulations, except for the major federal programs: Community Development Block Grant (CFDA #14.228) and Environmental Protection Construction Grant (CFDA #66.458), which were administered by third party administrators, Department for Local Government (DLG) requirements, and county administrative code requirements. Because of this, we were also unable to determine if ethics violations occurred. In addition, we were unable to access certain Fiscal Court records needed to adequately conduct our procedures due to the county's failure to provide certain requested documentation. The significance of these issues, in the aggregate, prevents us from placing any reliance on the financial activities contained in the Fourth Quarter Report of the Fiscal Court.

Because we were unable to place reliance on the accuracy, validity, and completeness of the county's Fourth Quarter Report and because audit risk is at an unacceptable level, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial activity contained in the report referred to in the first paragraph.

The County has not presented the management's discussion and analysis that the Governmental Accounting Standards Board (GASB) has determined is necessary to supplement, although not required to be part of, the basic financial statements.

To the People of Kentucky  
 Honorable Steven L. Beshear, Governor  
 Jonathan Miller, Secretary  
 Finance and Administration Cabinet  
 Honorable Randy Thompson, Knott County Judge/Executive  
 Members of the Knott County Fiscal Court

We were engaged to audit the financial activity of the Fourth Quarter Report of the Knott County Fiscal Court for the purpose of forming an opinion and have disclaimed an opinion on the information. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial information. Because of the scope limitation discussed in the second paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the schedule of expenditures of federal awards.

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2009, on our consideration of Knott County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Based on the results of our audit, we present the schedule of findings and questioned costs, included herein, which discusses the following report comments:

- |         |   |
|---------|---|
| 2008-01 | Over \$8.2 Million In Public Funds Were Expensed For The Knott County Youth Foundation By Fiscal Court Without A Formal Agreement Between The County And The Youth Center With \$2.7 Million Being Spent Without Land Ownership |
| 2008-02 | \$412,035 In Public Funds Were Used For Knott County Adventure Tourism Park System (ATV Center) While On Private Property   |
| 2008-03 | Knott County Fiscal Court Lacks Controls Over County Vehicles And Cell Phones Provided To County Employees  |
| 2008-04 | Knott County Fiscal Court Failed To Take Corrective Action Of The Prior Year Ended June 30, 2005 Comment Relating To Restricted Funds   |
| 2008-05 | All Contingent Liabilities Should Be Disclosed To The Fiscal Court  |
| 2008-06 | The County Failed To Comply With State Laws And Regulations   |
| 2008-07 | Knott County Fiscal Court Did Not Follow Competitive Bidding Requirements For County Projects   |
| 2008-08 | Knott County Fiscal Court Should Improve Controls Over Payroll Procedures   |
| 2008-09 | Knott County Fiscal Court Expenditures Of Over \$254,931 Failed To Have Proper Documentation Or Comply With Payment Procedures  |
| 2008-10 | The County Should Maintain Complete And Accurate Capital Asset Schedules To Comply With GASB 34 Requirements  |

To the People of Kentucky  
Honorable Steven L. Beshear, Governor  
Jonathan Miller, Secretary  
Finance and Administration Cabinet  
Honorable Randy Thompson, Knott County Judge/Executive  
Members of the Knott County Fiscal Court

2008-11      The County Does Not Maintain Proper Documentation Totaling \$18,000 For An  
                 Independent Contractor  
2008-12      Fiscal Court Paid \$708 In Late Fees On Credit Card Payments  
2008-13      Fiscal Court Should Require Depository Institutions To Pledge Or Provide Sufficient  
                 Collateral To Protect Deposits

*Simon, Underwood & Associates PSC*

Simon, Underwood & Associates PSC  
Certified Public Accountants and Consultants

Louisville, Kentucky  
June 30, 2009

KNOTT COUNTY OFFICIALS

For The Year Ended June 30, 2008

**Fiscal Court Members:**

Randy Thompson	County Judge/Executive
John Short	Magistrate
Wade Noble	Magistrate
Haskel Ritchie	Magistrate
Kirby Hall	Magistrate

**Other Elected Officials:**

Tim Bates	County Attorney
Eldon Hicks	Jailer
Kenneth Gayheart	County Clerk
Ray Bolen	Sheriff
Edward Slone	Property Valuation Administrator
William J. Blair	Coroner

**Appointed Personnel:**

Phillip Champion	Deputy Judge/Executive
Byron Jacobs	County Treasurer
Darrell Madden, CPA, PSC	Finance Officer
Tammy Brewer	Finance Director
Harold D. Bentley	Road Foremen

**KNOTT COUNTY  
FOURTH QUARTER FINANCIAL STATEMENT**

**For The Year Ended June 30, 2008**



**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**



Production

**Department for Local Government**

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

(502) 573-2382 or (800) 346-5606

**Summary Data**

**060 - Knott**

Fund	Description	Receipts	Disbursements	Cash Balance	Encumb	Unencum
01	GENERAL	\$2,344,801.92	\$1,957,329.18	\$387,472.74	\$17,318.06	\$370,154.68
02	ROAD	\$1,172,591.91	\$1,100,648.33	\$71,943.58	\$25,443.65	\$46,499.93
03	JAIL	\$830,657.98	\$794,220.35	\$36,437.63	\$34,996.50	\$1,441.13
04	LGEA	\$3,499,858.78	\$3,405,504.43	\$94,354.35	\$60,758.61	\$33,595.74
06	STATE GRANTS	\$4,496,048.81	\$3,758,098.40	\$737,950.41	\$175,658.29	\$562,292.12
07	FEDERAL GRANTS	\$2,571,650.58	\$2,571,038.00	\$612.58	\$0.00	\$612.58
08	EMERGENCY MGT	\$379,855.00	\$140,128.55	\$239,726.45	\$0.00	\$239,726.45
12	FORESTRY	\$6,792.81	\$3,858.00	\$2,934.81	\$0.00	\$2,934.81
14	SPORTS COMPLEX	\$593,764.74	\$586,636.28	\$7,128.46	\$15,050.04	(\$7,921.58)
75	E-911	\$199,415.33	\$128,973.09	\$70,442.24	\$6,298.50	\$64,143.74
76	CAPITAL PROJECT YOUTH CENTER & ADULT WELLNESS COMPLEX	\$3,906,499.13	\$3,185,345.82	\$721,153.31	\$0.00	\$721,153.31
<b>TOTALS</b>		<b>\$20,001,936.99</b>	<b>\$17,631,780.43</b>	<b>\$2,370,156.56</b>	<b>\$335,523.65</b>	<b>\$2,034,632.91</b>

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**



Production

**Department for Local Government**

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

(502) 573-2382 or (800) 346-5606

**Reconciliation Data**

**060 - Knott**

Fund	Description	Bank Balance	Dep. in Transit	Checks	Other	Cash Balance
01	GENERAL	\$459,278.61		\$71,805.87		\$387,472.74
02	ROAD	\$75,239.40		\$3,295.82		\$71,943.58
03	JAIL	\$43,210.43		\$6,772.80		\$36,437.63
04	LGEA	\$115,445.74		\$21,091.39		\$94,354.35
06	STATE GRANTS	\$956,961.94		\$219,011.53		\$737,950.41
07	FEDERAL GRANTS	\$60,480.58		\$59,868.00		\$612.58
08	EMERGENCY MGT	\$239,726.45		\$0.00		\$239,726.45
12	FORESTRY	\$2,934.81		\$0.00		\$2,934.81
14	SPORTS COMPLEX	\$9,702.61		\$2,574.15		\$7,128.46
75	E-911	\$71,987.55		\$1,545.31		\$70,442.24
76	CAPITAL PROJECT YOUTH CENTER & ADULT WELLNESS COMPLEX	\$721,153.31		\$0.00		\$721,153.31
<b>TOTALS</b>		<b>\$2,756,121.43</b>		<b>\$385,964.87</b>		<b>\$2,370,156.56</b>

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**



Production

**Department for Local Government**

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

(502) 573-2382 or (800) 346-5606

**Receipts Data**

**060 - Knott**

Fund	Major	Sub1	Sub2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
01	4101			Real Property Taxes	\$240,000.00		\$17,490.23	\$213,899.91	\$26,100.09
01	4102			Personal Property Taxes	\$150,000.00		\$332.91	\$162,380.51	(\$12,380.51)
01	4103			Motor Vehicle Taxes	\$100,000.00		\$38,699.61	\$109,766.28	(\$9,766.28)
01	4104			Delinquent Taxes	\$30,000.00		\$5,798.23	\$17,837.91	\$12,162.09
01	4107			Unmined Minerals Taxes	\$275,000.00	\$128,372.42	\$184,830.52	\$417,982.99	(\$14,610.57)
01	4121			Advertising Costs	\$800.00		\$1,085.00	\$1,145.00	(\$345.00)
01	4130			Bank Franchise Deposit Tax	\$30,000.00		\$0.00	\$30,946.04	(\$946.04)
01	4131			Public Service Tax	\$75,000.00		\$27,072.48	\$73,159.04	\$1,840.96
01	4135			Deed Transfers	\$15,000.00		\$2,381.74	\$7,779.64	\$7,220.36
01	4210			PILOT Other in Lieu Payments	\$2,000.00		\$6,854.00	\$8,580.45	(\$6,580.45)
01	4302			Excess Fees-County Clerk	\$7,366.76		\$0.00	\$1,039.42	\$6,327.34
01	4304			Excess Fees-Sheriff	\$61,404.00	\$197,627.44	\$0.00	\$259,031.44	\$0.00
01	4501			Omitted Property Taxes	\$25,000.00		\$6,003.62	\$57,863.12	(\$32,863.12)
01	4504			Federal Grants	\$0.00		\$0.00	\$0.00	\$0.00
01	4505			Motor Vehicle Tax-Other Counties	\$10,000.00		\$5,380.11	\$15,714.12	(\$5,714.12)
01	4506			State Reimbursement	\$0.00		\$0.00	\$5,000.00	(\$5,000.00)
01	4520			Election Reimbursements	\$18,000.00		\$0.00	\$18,000.00	\$0.00
01	4521			Board of Assessments	\$1,200.00		\$0.00	\$1,000.00	\$200.00
01	4522			Legal Process Fees	\$130.00		\$0.00	\$89.75	\$40.25
01	4526			Strip Mine Permits	\$50,000.00		\$0.00	\$41,841.67	\$8,158.33
01	4532			Courthouse Rental-AOC	\$160,000.00		\$52,385.68	\$189,731.00	(\$29,731.00)
01	4602			Solid Waste Commissions	\$125,000.00		\$30,055.94	\$121,623.43	\$3,376.57
01	4705			Sales of Surplus Real Property	\$0.00		\$900.00	\$900.00	(\$900.00)
01	4721			Royalties	\$0.00	\$112,266.28	\$0.00	\$112,266.28	\$0.00
01	4726			Insurance Proceeds	\$0.00		\$0.00	\$14,408.03	(\$14,408.03)
01	4727			Reimbursements	\$0.00		\$78.00	\$185.50	(\$185.50)
2008		4Q		Page 1 of 4				Thursday, March 11, 2010	

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Sub1	Sub2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
01	4733			Insurance Reimbursements	\$100,000.00		\$29,199.84	\$108,153.03	(\$8,153.03)
01	4799			Other Receipts	\$1,000.00		\$349.40	\$11,477.48	(\$10,477.48)
01	4806			Interest Income	\$10,000.00		\$1,368.46	\$7,447.94	\$2,552.06
01	4901			Prior Year Carryover	\$100,000.00	\$208,000.26	\$0.00	\$308,035.26	(\$35.00)
01	4909			Transfers Out	\$0.00		\$0.00	(\$350,970.00)	\$350,970.00
01	4910			Transfers In	\$232,937.56		\$0.00	\$378,486.68	(\$145,549.12)
02	4513			Emerg. Road Aid - 3% Additional	\$25,100.00		\$0.00	\$0.00	\$25,100.00
02	4514			Transportation Cabinet	\$500,000.00		\$0.00	\$0.00	\$500,000.00
02	4515			Energy Recovery Road Aid	\$50,000.00		\$0.00	\$23,698.19	\$26,301.81
02	4516			Truck Licenses	\$232,937.56		\$0.00	\$228,486.68	\$4,450.88
02	4517			Operators License	\$2,000.00		\$0.00	\$1,491.25	\$508.75
02	4518			County Road Aid	\$793,277.48		\$0.00	\$765,895.00	\$27,382.48
02	4705			Surplus Real Property Sales	\$0.00		\$27,000.00	\$27,000.00	(\$27,000.00)
02	4721			Royalties	\$0.00		\$12,016.75	\$40,187.98	(\$40,187.98)
02	4727			Reimbursements	\$0.00	\$94,570.00	\$94,570.00	\$94,570.00	\$0.00
02	4799			Other Receipts	\$1,000.00		\$0.00	\$1,014.09	(\$14.09)
02	4806			Interest Income	\$20,000.00		\$699.41	\$8,530.43	\$11,469.57
02	4901			Prior Year Carryover	\$150,000.00	\$25,204.97	\$0.00	\$175,204.97	\$0.00
02	4909			Transfers Out	(\$232,937.56)		\$0.00	(\$228,486.68)	(\$4,450.88)
02	4910			Transfers In	\$0.00		\$0.00	\$35,000.00	(\$35,000.00)
03	4533			County Jail Allotment	\$52,000.00		\$12,592.23	\$51,387.32	\$612.68
03	4534			Routine Medical	\$2,000.00		\$2,135.35	\$4,270.71	(\$2,270.71)
03	4538			D.U.I. Fees	\$2,000.00		\$1,118.55	\$3,665.09	(\$1,665.09)
03	4567			Court Cost Supplement	\$15,000.00		\$5,131.51	\$20,134.70	(\$5,134.70)
03	4799			Other Receipts	\$1,000.00		\$100.00	\$3,056.52	(\$2,056.52)
03	4806			Interest Income	\$3,000.00		\$204.45	\$2,080.23	\$919.77
03	4901			Prior Year Carryover	\$10,000.00	\$61,063.41	\$0.00	\$71,063.41	\$0.00
03	4910			Transfers In	\$600,000.00		\$150,000.00	\$675,000.00	(\$75,000.00)
04	4504			Federal Grants	\$75,000.00		\$34,919.26	\$117,627.38	(\$42,627.38)
04	4506			State Reimbursements - SC, etc.	\$75,000.00		\$716.00	\$76,270.53	(\$1,270.53)
04	4527			Coal Severance Tax	\$1,800,000.00	\$229,914.60	\$571,728.13	\$2,029,914.60	\$0.00
04	4529			Mineral Severance Tax	\$1,800,000.00		\$410,006.09	\$1,592,469.57	\$207,530.43
04	4604			Parks and Recreation	\$0.00		\$12,115.00	\$18,735.00	(\$18,735.00)
04	4605			Swimming Pool	\$0.00		\$4,346.00	\$8,513.63	(\$8,513.63)
04	4711			Rentals & Leases-Miscellaneous	\$10,000.00		\$2,937.46	\$11,783.16	(\$1,783.16)
04	4726			Insurance Proceeds	\$0.00		\$0.00	\$12,150.94	(\$12,150.94)
04	4733			Insurance Reimbursements	\$20,000.00		\$194.02	\$9,849.52	\$10,150.48
2008				40	Page 2 of 4			Thursday, March 11, 2010	

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Sub1	Sub2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
04	4799			Other Receipts	\$1,000.00		\$590.33	\$12,315.72	(\$11,315.72)
04	4806			Interest Income	\$20,000.00		\$1,060.25	\$9,685.10	\$10,314.90
04	4901			Prior Year Carryover	\$200,000.00	(\$105,802.72)	\$0.00	\$94,197.28	\$0.00
04	4909			Transfers Out	(\$600,000.00)		(\$225,000.00)	(\$991,033.26)	\$391,033.26
04	4910			Transfers In	\$0.00		\$488.91	\$497,379.61	(\$497,379.61)
06	4510			State Grants	\$3,000,000.00	\$625,542.25	\$739,523.50	\$4,346,265.75	(\$720,723.50)
06	4799			Other Receipts	\$0.00		\$0.00	\$1,900.00	(\$1,900.00)
06	4806			Interest Income	\$20,000.00		\$2,856.62	\$28,936.39	(\$8,936.39)
06	4901			Prior Year Carryover	\$100,000.00	\$523,668.62	\$0.00	\$623,668.62	\$0.00
06	4909			Transfers Out	\$0.00		\$0.00	(\$575,755.21)	\$575,755.21
06	4910			Transfer In	\$0.00		\$0.00	\$71,033.26	(\$71,033.26)
07	4504			Federal Grants	\$0.00	\$3,900,500.00	\$958,652.00	\$2,404,645.36	\$1,495,854.64
07	4806			Interest Income	\$0.00		\$66.71	\$153.29	(\$153.29)
07	4901			Prior Year Carryover	\$544.98	\$166,306.95	\$0.00	\$166,851.93	\$0.00
08	4542			Flood Disaster Reimbursement	\$0.00	\$323,535.54	\$6,247.45	\$322,058.50	\$1,477.04
08	4806			Interest Income	\$200.00		\$864.46	\$2,353.84	(\$2,153.84)
08	4901			Prior Year Carryover	\$56,000.00	(\$68.43)	\$0.00	\$55,931.57	\$0.00
08	4909			Transfers Out	\$0.00		(\$488.91)	(\$488.91)	\$488.91
12	4101			Real Property Taxes	\$3,000.00		\$139.50	\$3,484.75	(\$484.75)
12	4104			Delinquent Taxes	\$200.00		\$15.83	\$109.64	\$90.36
12	4806			Interest Income	\$200.00		\$7.52	\$83.47	\$116.53
12	4901			Prior Year Carryover	\$2,500.00	\$614.95	\$0.00	\$3,114.95	\$0.00
14	4604			Parks & Recreation	\$0.00	\$400,000.00	\$115,071.32	\$416,225.28	(\$16,225.28)
14	4680			Advertising Sales	\$0.00	\$80,000.00	\$14,300.00	\$57,050.00	\$22,950.00
14	4711			Rentals & Leases	\$0.00	\$50,000.00	\$1,862.00	\$22,323.00	\$27,677.00
14	4799			Other Receipts	\$0.00	\$3,000.00	\$0.00	\$2,936.00	\$64.00
14	4806			Interest Income	\$0.00	\$0.00	\$3.60	\$230.46	(\$230.46)
14	4901			Prior Year Carryover	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14	4909			Transfers Out	\$0.00		\$0.00	\$0.00	\$0.00
14	4910			Transfer In	\$0.00		\$75,000.00	\$95,000.00	(\$95,000.00)
75	4140			Telephone Surcharge E-911	\$140,000.00		\$43,656.64	\$132,666.03	\$7,333.97
75	4710			Map Sales	\$100.00		\$0.00	\$0.00	\$100.00
75	4799			Other Receipts	\$0.00		\$0.00	\$43.11	(\$43.11)
75	4806			Interest Income	\$1,000.00		\$207.21	\$1,750.73	(\$750.73)
75	4901			Prior Year Carryover	\$20,000.00	\$11,808.46	\$0.00	\$31,808.46	\$0.00
75	4910			Transfers In	\$0.00		\$0.00	\$33,147.00	(\$33,147.00)
76	4808			Interest on Investments	\$40,000.00		\$4,239.94	\$79,437.01	(\$39,437.01)
2008									

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Sub1	Sub2	Description	Budget Original	Amendment	Rec'd this Qtr	Rec'd to Date	Under/Over
76	4901			Prior Year Carryover	\$2,500,000.00	\$965,374.61	\$0.00	\$3,465,374.61	\$0.00
76	4910			Transfers In	\$0.00		\$0.00	\$361,687.51	(\$361,687.51)
<b>TOTALS</b>					<b>\$13,330,960.78</b>	<b>\$8,001,499.61</b>	<b>\$3,492,160.86</b>	<b>\$20,001,936.99</b>	<b>\$1,330,523.40</b>

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**



Production

**Department for Local Government**

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

(502) 573-2382 or (800) 346-5606

**Disbursements Data**

**060 - Knott**

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	5001	101		Judge/Executive Salary	\$69,424.37		\$4,300.00	\$73,724.37	\$73,711.82	\$12.55
01	5001	103		Deputy Judge/Executive Salary	\$39,800.00			\$39,800.00	\$39,728.52	\$71.48
01	5001	105		Judge/Executive Pro-Tem Salary	\$18,950.00			\$18,950.00	\$5,230.73	\$13,719.27
01	5001	106		Judge Executive Assistant Salary	\$0.00		\$6,400.00	\$6,400.00	\$6,355.75	\$44.25
01	5001	133		Purchase/Finance Officer	\$33,100.00			\$33,100.00	\$33,049.90	\$50.10
01	5001	301		Accounting Services	\$36,000.00			\$36,000.00	\$34,722.84	\$1,277.16
01	5001	302		Advertising	\$30,000.00		\$30,000.00	\$60,000.00	\$51,665.47	\$8,334.53
01	5001	309		Financial Consulting Services	\$18,000.00			\$18,000.00	\$18,000.00	\$0.00
01	5001	323		Judge's Office Engineering	\$0.00		\$1,300.00	\$1,300.00	\$1,275.95	\$24.05
01	5001	332		Legal Fees	\$4,000.00		\$5,000.00	\$9,000.00	\$8,401.26	\$598.74
01	5001	340		Judge's Vehicle Maintenance	\$0.00		\$50.00	\$50.00	\$35.87	\$14.13
01	5001	445		Office Supplies	\$35,000.00		\$15,000.00	\$50,000.00	\$45,905.87	\$4,094.13
01	5001	499		Other Materials and Supplies	\$1,000.00		\$29,000.00	\$30,000.00	\$26,457.85	\$3,542.15
01	5001	569		Judge's Office Conferences	\$2,000.00		\$1,110.00	\$3,110.00	\$3,108.99	\$1.01
01	5001	573		Executive Offices-Telephone	\$30,000.00		\$7,000.00	\$37,000.00	\$35,689.04	\$1,310.96
01	5001	576		Travel	\$3,000.00		\$3,000.00	\$6,000.00	\$5,915.56	\$84.44
01	5001	699		Credit Card Interest	\$0.00		\$500.00	\$500.00	\$495.99	\$4.01
01	5001	725		Office Equipment	\$2,000.00		\$3,000.00	\$5,000.00	\$5,000.00	\$0.00
01	5005	101		County Attorney's Salary	\$35,651.00			\$35,651.00	\$35,650.94	\$0.06
01	5005	105		Asst. County Attorney Salary	\$14,491.00			\$14,491.00	\$14,490.06	\$0.94
01	5005	165		Co Attorney Secretaries' Salaries	\$27,000.00			\$27,000.00	\$26,421.72	\$578.28
01	5005	364		Co Attorney Office Rental	\$0.00		\$6,000.00	\$6,000.00	\$3,395.34	\$2,604.66
01	5005	445		Co Attorney Office Supplies	\$7,250.00			\$7,250.00	\$5,825.65	\$1,424.35
01	5005	573		County Attorney Telephone	\$3,000.00			\$3,000.00	\$2,041.17	\$958.83
01	5010	103		Clerk Statutory Incentive Pay	\$0.00		\$3,386.52	\$3,386.52	\$3,386.52	\$0.00
01	5010	307		County Clerk Audits	\$7,000.00			\$7,000.00	\$4,968.71	\$2,031.29
2008				40	Page 1 of 10			Thursday, March 11, 2010		

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	5010	368		Tax Bill Preparation-County Clerk	\$2,000.00		\$2,000.00	\$4,000.00	\$3,990.45	\$9.55
01	5010	445		Co Clerk Office Supplies	\$0.00			\$0.00	\$0.00	\$0.00
01	5010	507		Clerk's Office Assistance	\$0.00		\$449.42	\$449.42	\$449.42	\$0.00
01	5010	565		County Clerk Printing	\$0.00		\$270.00	\$270.00	\$270.00	\$0.00
01	5010	573		County Clerk Telephone	\$0.00			\$0.00	\$0.00	\$0.00
01	5010	705		Equipment - County Clerk	\$0.00		\$44,298.76	\$44,298.76	\$44,298.76	\$0.00
01	5015	302		Advertising-Delinquent Taxes	\$1,250.00		\$5,000.00	\$6,250.00	\$5,487.00	\$763.00
01	5015	307		Sheriff Department Audit Services	\$11,000.00		\$7,700.00	\$18,700.00	\$18,699.81	\$0.19
01	5015	435		Sheriff Department Equipment	\$1,000.00			\$1,000.00	\$500.00	\$500.00
01	5015	445		Sheriff Department Office Supplie	\$5,000.00			\$5,000.00	\$3,767.77	\$1,232.23
01	5015	563		Postage for Tax Bills	\$3,000.00			\$3,000.00	\$2,539.15	\$460.85
01	5015	566		Sheriff Dept Reimbursements	\$0.00		\$1,000.00	\$1,000.00	\$174.00	\$826.00
01	5015	573		Sheriff Department Telephone	\$8,500.00			\$8,500.00	\$3,942.36	\$4,557.64
01	5025	101		Magistrate Salaries	\$60,000.00		\$3,500.00	\$63,500.00	\$63,455.54	\$44.46
01	5025	125		Recording of Fiscal Court Minutes	\$4,000.00			\$4,000.00	\$3,200.00	\$800.00
01	5025	210		Magistrate Expense Allowances	\$14,400.00		\$14,400.00	\$28,800.00	\$14,400.00	\$14,400.00
01	5025	567		Magistrate Reimbursements	\$0.00		\$3,000.00	\$3,000.00	\$2,859.06	\$140.94
01	5030	367		PVA Statutory Contribution	\$34,000.00		\$6,757.00	\$40,757.00	\$40,757.00	\$0.00
01	5030	573		PVA Telephone	\$2,500.00			\$2,500.00	\$2,083.00	\$417.00
01	5035	191		Board of Assessment Appeals	\$2,000.00			\$2,000.00	\$2,000.00	\$0.00
01	5040	102		County Treasurer Salary	\$41,000.00		\$1,300.00	\$42,300.00	\$42,288.48	\$11.52
01	5060	101		County Law Librarian	\$600.00			\$600.00	\$0.00	\$600.00
01	5065	192		Election Officers	\$20,000.00		\$19,500.00	\$39,500.00	\$39,370.00	\$130.00
01	5065	193		Election Commissioners	\$4,000.00		\$4,800.00	\$8,800.00	\$8,800.00	\$0.00
01	5065	347		Election Polling Places	\$5,000.00			\$5,000.00	\$1,907.50	\$3,092.50
01	5065	565		Printing & Miscellaneous for Electi	\$20,000.00		\$19,000.00	\$39,000.00	\$38,992.27	\$7.73
01	5065	573		Election Precinct Telephone	\$900.00		\$370.00	\$1,270.00	\$1,266.88	\$3.12
01	5076	304		Land Appraisal	\$1,000.00		\$300.00	\$1,300.00	\$1,300.00	\$0.00
01	5080	329		Janitorial Services	\$16,800.00			\$16,800.00	\$16,800.00	\$0.00
01	5080	333		Maintenance Agreements	\$5,000.00			\$5,000.00	\$2,919.00	\$2,081.00
01	5080	406		Building Maintenance Supplies	\$15,000.00			\$15,000.00	\$7,033.36	\$7,966.64
01	5080	411		Custodial Supplies	\$4,000.00		\$1,000.00	\$5,000.00	\$4,487.36	\$512.64
01	5080	499		Other Supplies & Materials	\$1,000.00			\$1,000.00	\$860.96	\$139.04
01	5080	563		Postage	\$1,000.00			\$1,000.00	\$0.00	\$1,000.00
01	5080	573		Telephone Courthouse	\$1,000.00			\$1,000.00	\$607.19	\$392.81
01	5080	578		Utilities	\$25,000.00		\$5,000.00	\$30,000.00	\$25,788.59	\$4,211.41
01	5081	107		Maintenance Supervisor	\$31,400.00		\$10.00	\$31,410.00	\$31,408.52	\$1.48
2008				40	Page 2 of 10			Thursday, March 11, 2010		

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Maj	Min	Suf	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
01	5081	175		Judicial Center Janitors	\$58,500.00			\$58,500.00	\$58,300.42	\$199.58
01	5081	333		Judicial Center - Maint. Agreemen	\$7,500.00			\$7,500.00	\$3,794.68	\$3,705.32
01	5081	406		Judicial Center - Maint. Materials	\$10,000.00		\$1,000.00	\$11,000.00	\$9,694.25	\$1,305.75
01	5081	411		Judicial Center Janitorial Supplies	\$3,000.00		\$2,000.00	\$5,000.00	\$4,683.25	\$316.75
01	5081	525		Judicial Center Flood Insurance	\$6,000.00		\$339.00	\$6,339.00	\$6,339.00	\$0.00
01	5081	573		Telephone Lines - AOC	\$2,500.00			\$2,500.00	\$2,033.42	\$466.58
01	5081	578		Judicial Center Utilities	\$46,000.00		\$17,000.00	\$63,000.00	\$62,150.83	\$849.17
01	5130	507		Knott Co Rescue Squad Support	\$0.00		\$50.00	\$50.00	\$50.00	\$0.00
01	5175	903		Public Defender Support	\$0.00		\$2,206.00	\$2,206.00	\$2,206.00	\$0.00
01	5315	595		Scholarship Program-WYMT	\$1,000.00			\$1,000.00	\$1,000.00	\$0.00
01	5330	515		General Charity and Welfare	\$0.00		\$10,000.00	\$10,000.00	\$8,986.09	\$1,013.91
01	7503	603		Judge Exec Vehicle Principal	\$11,500.00			\$11,500.00	\$11,486.03	\$13.97
01	7503	607		Judge Exec Vehicle Interest	\$2,000.00			\$2,000.00	\$1,982.89	\$17.11
01	7504	603		Magistrates Vehicle Principal	\$25,000.00		(\$25,000.00)	\$0.00	\$0.00	\$0.00
01	7504	607		Magistrates Vehicle Interest	\$5,000.00		(\$5,000.00)	\$0.00	\$0.00	\$0.00
01	7600	699		Debt Service-Fern Taylor	\$3,172.00			\$3,172.00	\$3,172.00	\$0.00
01	9100	307		Audit Services	\$60,000.00			\$60,000.00	\$32,393.22	\$27,606.78
01	9100	525		Property and Liability Insurance	\$260,000.00		\$26,790.00	\$286,790.00	\$286,084.20	\$705.80
01	9100	531		Bonds for Officials	\$10,000.00		\$3,000.00	\$13,000.00	\$12,975.47	\$24.53
01	9100	551		KCJEA/KMCA Dues	\$1,700.00		\$800.00	\$2,500.00	\$2,471.65	\$28.35
01	9100	553		KRADD Dues	\$12,755.00			\$12,755.00	\$12,755.00	\$0.00
01	9100	555		KACO Dues	\$900.00			\$900.00	\$0.00	\$900.00
01	9100	558		Coal County Coalition	\$3,000.00		\$1,500.00	\$4,500.00	\$4,500.00	\$0.00
01	9200	999		Reserve for Transfers	\$41,294.95	\$646,266.40	(\$591,056.70)	\$96,504.65	\$0.00	\$96,504.65
01	9400	201		Social Security (OAS)	\$32,000.00			\$32,000.00	\$31,083.84	\$916.16
01	9400	202		Retirement Contribution	\$130,000.00		\$20,000.00	\$150,000.00	\$149,794.31	\$205.69
01	9400	204		Life Insurance	\$9,000.00			\$9,000.00	\$7,544.17	\$1,455.83
01	9400	205		Health Insurance	\$300,000.00		\$20,000.00	\$320,000.00	\$287,392.77	\$32,607.23
01	9400	208		Unemployment Insurance	\$7,000.00			\$7,000.00	\$4,162.94	\$2,837.06
01	9400	209		Worker's Compensation	\$12,000.00		\$10,700.00	\$22,700.00	\$22,657.80	\$42.20
01	9400	212		HB810 Training Pay	\$1,000.00			\$1,000.00	\$0.00	\$1,000.00
02	6105	102		Road Supervisor's Salary	\$31,200.00			\$31,200.00	\$31,156.84	\$43.16
02	6105	143		Road Workers Salaries	\$470,000.00			\$470,000.00	\$388,396.36	\$81,603.64
02	6105	311		Contracted Construction-Roads	\$0.00		\$42,010.00	\$42,010.00	\$42,002.50	\$7.50
02	6105	323		Engineering Services	\$0.00		\$3,551.00	\$3,551.00	\$3,551.00	\$0.00
02	6105	326		Financial Advisory Fees	\$0.00		\$163.00	\$163.00	\$162.96	\$0.04
02	6105	332		Legal Fees	\$0.00		\$15,000.00	\$15,000.00	\$15,000.00	\$0.00
2008		4Q		Page 3 of 10				Thursday, March 11, 2010		

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
02	6105	405		Blacktop	\$200,000.00			\$200,000.00	\$115,265.92	\$84,734.08
02	6105	411		Janitorial Supplies	\$2,000.00			\$2,000.00	\$96.31	\$1,903.69
02	6105	445		Office Supplies	\$2,500.00			\$2,500.00	\$1,952.95	\$547.05
02	6105	447		Road Materials	\$100,000.00			\$100,000.00	\$190.85	\$99,809.15
02	6105	499		Other Materials and Supplies	\$1,000.00		\$2,000.00	\$3,000.00	\$2,574.62	\$425.38
02	6105	573		Telephone	\$3,000.00			\$3,000.00	\$2,089.37	\$910.63
02	6105	578		Utilities	\$6,000.00		\$8,000.00	\$14,000.00	\$11,541.41	\$2,458.59
02	6105	703		Communication Equipment	\$28,000.00			\$28,000.00	\$26,883.50	\$1,116.50
02	6105	731		Right of Way	\$1,000.00			\$1,000.00	\$365.00	\$635.00
02	6107	447		Emergency Money - 3% CRA	\$25,100.00			\$25,100.00	\$0.00	\$25,100.00
02	7200	601		Road Bond Issue-Principal	\$150,000.00			\$150,000.00	\$115,884.01	\$34,115.99
02	7200	605		Road Bond Issue-Interest	\$75,000.00		\$6,200.00	\$81,200.00	\$81,160.49	\$39.51
02	7700	602		Equipment Lease Purchases-Prin	\$10,000.00			\$10,000.00	\$9,932.80	\$67.20
02	7700	606		Equipment Lease Purchases-Inter	\$150.00			\$150.00	\$133.49	\$16.51
02	9200	999		Reserve for Transfers	\$78,427.48	\$119,774.97	(\$42,979.00)	\$155,223.45	\$0.00	\$155,223.45
02	9400	201		Social Security Contribution	\$35,000.00			\$35,000.00	\$29,112.22	\$5,887.78
02	9400	202		Retirement Contribution	\$70,000.00		\$1,055.00	\$71,055.00	\$71,054.33	\$0.67
02	9400	204		Life Insurance	\$5,000.00			\$5,000.00	\$3,059.18	\$1,940.82
02	9400	205		Health Insurance	\$150,000.00			\$150,000.00	\$119,663.04	\$30,336.96
02	9400	208		Unemployment Insurance	\$8,000.00			\$8,000.00	\$4,720.97	\$3,279.03
02	9400	209		Workers' Compensation	\$90,000.00			\$90,000.00	\$24,698.21	\$65,301.79
03	5101	101		Jailer's Salary	\$49,556.00			\$49,556.00	\$49,555.48	\$0.52
03	5101	103		Deputy Jailers Salaries/Wages	\$0.00		\$21,160.00	\$21,160.00	\$21,156.72	\$3.28
03	5101	333		Maintenance Agreements	\$500.00			\$500.00	\$0.00	\$500.00
03	5101	334		Building Maintenance	\$500.00			\$500.00	\$0.00	\$500.00
03	5101	336		Equipment Maintenance/Repairs	\$500.00			\$500.00	\$0.00	\$500.00
03	5101	340		Vehicle Maintenance and Repairs	\$500.00		\$500.00	\$1,000.00	\$839.11	\$160.89
03	5101	411		Janitorial Supplies	\$500.00			\$500.00	\$0.00	\$500.00
03	5101	445		Office Supplies	\$500.00		\$1,000.00	\$1,500.00	\$980.00	\$520.00
03	5101	499		Other Materials & Supplies	\$500.00		(\$400.00)	\$100.00	\$0.00	\$100.00
03	5101	549		Medical Services	\$100,000.00		(\$11,290.00)	\$88,710.00	\$77,737.83	\$10,972.17
03	5101	573		Telephone	\$2,000.00		\$200.00	\$2,200.00	\$2,044.88	\$155.12
03	5101	576		Travel	\$500.00			\$500.00	\$0.00	\$500.00
03	5101	578		Utilities	\$8,000.00		\$1,000.00	\$9,000.00	\$8,801.08	\$198.92
03	5102	314		Contracts with Government Agen	\$300,000.00		\$46,000.00	\$346,000.00	\$342,686.12	\$3,313.88
03	7500	603		Bank of New York - Principal	\$35,000.00		\$72,180.09	\$107,180.09	\$107,180.09	\$0.00
03	7500	607		Bank of New York - Interest	\$7,000.00		\$1,540.00	\$8,540.00	\$8,538.08	\$1.92
2008				4Q	Page 4 of 10			Thursday, March 11, 2010		

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
03	7600	601		KY River Reg Jail Bond Prin	\$38,750.00		\$3,750.00	\$42,500.00	\$42,500.00	\$0.00
03	7600	605		KY River Reg Jail Bond Int	\$64,000.00			\$64,000.00	\$58,455.05	\$5,544.95
03	9100	525		Property Liability Insurance	\$0.00		\$37,438.50	\$37,438.50	\$37,438.50	\$0.00
03	9100	551		Association Dues	\$300.00			\$300.00	\$100.00	\$200.00
03	9200	999		Reserve for Transfers	\$54,344.00	\$61,063.41	(\$115,178.59)	\$228.82	\$0.00	\$228.82
03	9400	201		Social Security (OAS)	\$3,500.00		\$1,500.00	\$5,000.00	\$4,962.24	\$37.76
03	9400	202		Retirement Contribution	\$6,500.00		\$5,400.00	\$11,900.00	\$11,864.00	\$36.00
03	9400	204		Life Insurance	\$300.00		\$200.00	\$500.00	\$400.22	\$99.78
03	9400	205		Health Insurance	\$10,000.00		\$8,000.00	\$18,000.00	\$16,004.25	\$1,995.75
03	9400	208		Unemployment Insurance	\$0.00		\$500.00	\$500.00	\$477.68	\$22.32
03	9400	209		Workers' Compensation	\$1,000.00		\$1,500.00	\$2,500.00	\$2,499.02	\$0.98
03	9400	212		HB810 Training Pay	\$750.00			\$750.00	\$0.00	\$750.00
04	5015	435		Sheriff Department Equipment	\$0.00		\$17,800.00	\$17,800.00	\$14,742.23	\$3,057.77
04	5015	445		Sheriff Office Supplies	\$0.00		\$600.00	\$600.00	\$50.00	\$550.00
04	5015	507		Sheriff Department Assistance	\$250,000.00		(\$150,000.00)	\$100,000.00	\$100,000.00	\$0.00
04	5020	101		Coroner Salary	\$20,400.00			\$20,400.00	\$20,399.86	\$0.14
04	5020	103		Deputy Coroner Salaries	\$6,000.00			\$6,000.00	\$5,999.76	\$0.24
04	5020	210		Coroner-Travel Expenses	\$3,600.00			\$3,600.00	\$3,600.00	\$0.00
04	5020	308		Autopsy Services	\$4,000.00			\$4,000.00	\$900.00	\$3,100.00
04	5020	445		Coroner Office Supplies	\$2,000.00			\$2,000.00	\$1,260.78	\$739.22
04	5020	569		Coroner Training & Conferences	\$0.00			\$0.00	\$0.00	\$0.00
04	5020	576		Coroner Travel Expense	\$0.00		\$100.00	\$100.00	\$76.01	\$23.99
04	5075	323		Economic Dev Engineering Serv	\$0.00		\$7,750.00	\$7,750.00	\$7,740.32	\$9.68
04	5110	101		Constable Salaries	\$19,201.00			\$19,201.00	\$18,924.55	\$276.45
04	5110	398		Service of Summons & Citations	\$6,000.00			\$6,000.00	\$4,920.00	\$1,080.00
04	5120	507		Fire Department Contracts	\$27,500.00			\$27,500.00	\$25,373.74	\$2,126.26
04	5121	521		Fire Insurance	\$55,000.00		\$7,000.00	\$62,000.00	\$61,763.43	\$236.57
04	5121	574		Volunteer Firefighter Training	\$0.00			\$0.00	\$0.00	\$0.00
04	5130	507		Rescue Squad Contributions	\$2,500.00		\$41.00	\$2,541.00	\$2,541.00	\$0.00
04	5135	105		Asst. EM Director - FEMA	\$27,300.00			\$27,300.00	\$27,248.52	\$51.48
04	5135	107		EM Director Salary	\$18,600.00		(\$18,600.00)	\$0.00	\$0.00	\$0.00
04	5135	445		EMS - Office Supplies	\$4,000.00			\$4,000.00	\$430.00	\$3,570.00
04	5135	573		EM - Telephone	\$3,000.00			\$3,000.00	\$2,047.96	\$952.04
04	5135	574		EM - Management Training	\$1,000.00			\$1,000.00	\$0.00	\$1,000.00
04	5135	725		EM - Office Equipment	\$1,000.00			\$1,000.00	\$0.00	\$1,000.00
04	5136	105		Homeland Security Assistant	\$29,400.00		\$8,500.00	\$37,900.00	\$37,602.00	\$298.00
04	5136	107		Homeland Security Director	\$31,000.00			\$31,000.00	\$30,956.90	\$43.10
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**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
04	5136	445		Homeland Security Office Supplie	\$2,000.00			\$2,000.00	\$0.00	\$2,000.00
04	5136	573		Homeland Security Telephone	\$1,000.00			\$1,000.00	\$419.92	\$580.08
04	5140	340		Ambulance Maint & Repairs	\$0.00		\$4,572.78	\$4,572.78	\$4,572.78	\$0.00
04	5140	739		Ambulance Medical Equipment	\$0.00			\$0.00	\$0.00	\$0.00
04	5175	903		Public Defender	\$2,500.00			\$2,500.00	\$0.00	\$2,500.00
04	5205	102		Dog Warden	\$25,700.00			\$25,700.00	\$25,688.52	\$11.48
04	5205	105		Dog Warden Assistant	\$0.00		\$15,000.00	\$15,000.00	\$2,767.20	\$12,232.80
04	5205	340		Vehicle Repairs	\$500.00			\$500.00	\$0.00	\$500.00
04	5205	399		Animal Shelter Support	\$15,000.00			\$15,000.00	\$11,250.00	\$3,750.00
04	5205	445		Dog Warden-Office Supplies	\$200.00			\$200.00	\$86.43	\$113.57
04	5205	531		Dog Warden Bond for Official	\$200.00			\$200.00	\$0.00	\$200.00
04	5205	573		Dog Warden-Telephone	\$500.00			\$500.00	\$466.45	\$33.55
04	5212	105		Ecology Officer Assistant	\$19,000.00			\$19,000.00	\$16,909.35	\$2,090.65
04	5212	106		Ecology Officer Salary	\$32,900.00			\$32,900.00	\$32,888.44	\$11.56
04	5212	302		Ecology Office Advertising	\$2,000.00			\$2,000.00	\$0.00	\$2,000.00
04	5212	445		Ecology Office Supplies	\$2,000.00			\$2,000.00	\$1,727.91	\$272.09
04	5212	468		County Cleanups-Dumping Fees	\$10,000.00		\$615.00	\$10,615.00	\$10,613.03	\$1.97
04	5212	573		Ecology Office Telephone	\$1,000.00			\$1,000.00	\$597.58	\$402.42
04	5212	576		Travel	\$500.00			\$500.00	\$240.34	\$259.66
04	5220	106		Water System Salaries/Wages	\$0.00		\$78,000.00	\$78,000.00	\$75,245.71	\$2,754.29
04	5220	348		Water System Support	\$0.00		\$650.00	\$650.00	\$400.00	\$250.00
04	5235	548		Stream/Dump Cleanup	\$18,000.00		\$45,000.00	\$63,000.00	\$59,981.42	\$3,018.58
04	5305	106		Senior Citizens Program Wages	\$160,000.00			\$160,000.00	\$157,985.95	\$2,014.05
04	5305	340		Senior Citizens Vehicle Maintena	\$2,000.00			\$2,000.00	\$0.00	\$2,000.00
04	5305	425		Senior Citizens Program Food	\$120,000.00		\$25,000.00	\$145,000.00	\$143,322.41	\$1,677.59
04	5305	507		Senior Citizens Program Support	\$5,000.00			\$5,000.00	\$4,270.06	\$729.94
04	5305	723		Senior Citizens Vehicles	\$0.00		\$2,422.97	\$2,422.97	\$2,422.97	\$0.00
04	5315	348		Youth Activities Support	\$10,000.00		\$905.00	\$10,905.00	\$10,901.90	\$3.10
04	5315	467		Youth Activities Supplies	\$10,000.00			\$10,000.00	\$7,601.92	\$2,398.08
04	5330	366		Solid Waste Assistance	\$5,000.00		\$2,000.00	\$7,000.00	\$5,577.05	\$1,422.95
04	5330	515		General Charity	\$500.00			\$500.00	\$0.00	\$500.00
04	5340	107		Carrie Comm. Center Director	\$0.00		\$20,200.00	\$20,200.00	\$20,156.76	\$43.24
04	5340	366		PRIDE Education Program	\$5,000.00			\$5,000.00	\$0.00	\$5,000.00
04	5401	107		County Parks Director	\$31,000.00		\$1,200.00	\$32,200.00	\$32,104.22	\$95.78
04	5401	107	B	Youth Activities Director	\$23,200.00			\$23,200.00	\$8,905.98	\$14,294.02
04	5401	107	C	Sports Complex Director	\$31,000.00		(\$31,000.00)	\$0.00	\$0.00	\$0.00
04	5401	143		Parks Department Wages	\$170,000.00		\$52,400.00	\$222,400.00	\$222,378.68	\$21.32
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**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
04	5401	144		Public Works Coordinator	\$25,600.00			\$25,600.00	\$20,748.42	\$4,851.58
04	5401	171		Park Attendant	\$6,500.00			\$6,500.00	\$6,500.00	\$0.00
04	5401	331		Leases	\$0.00		\$5,133.00	\$5,133.00	\$5,133.00	\$0.00
04	5401	348		County Parks Maintenance	\$30,000.00		\$38,230.00	\$68,230.00	\$68,229.50	\$0.50
04	5401	481		Park Department Uniforms	\$0.00		\$2,500.00	\$2,500.00	\$1,582.72	\$917.28
04	5401	573		County Parks Telephone	\$3,000.00		\$1,000.00	\$4,000.00	\$3,695.36	\$304.64
04	5401	578		County Parks Utilities	\$40,000.00		\$25,000.00	\$65,000.00	\$61,714.90	\$3,285.10
04	5401	586		Upper Carr Community Center	\$0.00		\$2,500.00	\$2,500.00	\$2,500.00	\$0.00
04	5401	718		County Parks Construction Projec	\$10,000.00			\$10,000.00	\$0.00	\$10,000.00
04	5401	721		County Parks Equipment	\$0.00		\$4,100.00	\$4,100.00	\$3,956.61	\$143.39
04	5405	106		Human Svcs. Center-Salaries/Wa	\$135,000.00			\$135,000.00	\$128,878.54	\$6,121.46
04	5405	107		Human Svcs. Center Director Sal	\$33,400.00			\$33,400.00	\$33,388.42	\$11.58
04	5405	333		HSC Maintenance Agreements	\$4,000.00			\$4,000.00	\$2,366.00	\$1,634.00
04	5405	334		HSC Building Maintenance	\$15,000.00			\$15,000.00	\$3,116.81	\$11,883.19
04	5405	340		HSC-Vehicle Repairs	\$1,000.00			\$1,000.00	\$0.00	\$1,000.00
04	5405	411		HSC Janitorial Supplies	\$3,500.00		\$1,000.00	\$4,500.00	\$4,135.37	\$364.63
04	5405	445		HSC Office Supplies	\$6,500.00			\$6,500.00	\$3,491.33	\$3,008.67
04	5405	467		HSC Recreational Supplies	\$3,000.00			\$3,000.00	\$153.35	\$2,846.65
04	5405	499		HSC Other Materials	\$1,000.00		\$5,000.00	\$6,000.00	\$3,243.11	\$2,756.89
04	5405	573		HSC Telephone	\$4,500.00		\$500.00	\$5,000.00	\$4,688.33	\$311.67
04	5405	576		Travel	\$2,000.00			\$2,000.00	\$1,776.46	\$223.54
04	5405	578		HSC Utilities	\$25,000.00		\$1,000.00	\$26,000.00	\$24,381.62	\$1,618.38
04	5405	723		HSC Vehicle Expense	\$1,000.00			\$1,000.00	\$42.00	\$958.00
04	5410	106		Library Assistant Wages	\$60,000.00			\$60,000.00	\$55,528.20	\$4,471.80
04	5410	185		Public Librarian Salary	\$24,100.00		\$50.00	\$24,150.00	\$24,128.52	\$21.48
04	5410	541		Public Library Support	\$2,000.00			\$2,000.00	\$0.00	\$2,000.00
04	5420	105		Public Relations Tourism Asst.	\$19,200.00			\$19,200.00	\$17,092.80	\$2,107.20
04	5420	107		Public Relations Tourism Dir	\$27,200.00		\$50.00	\$27,250.00	\$27,248.52	\$1.48
04	5420	107	B	ATV Training Supervisor	\$30,100.00			\$30,100.00	\$30,056.78	\$43.22
04	5420	302		Advertising-Tourism	\$0.00		\$12,000.00	\$12,000.00	\$9,058.50	\$2,941.50
04	5420	348		Tourism Program Support	\$5,000.00		\$65,000.00	\$70,000.00	\$55,437.16	\$14,562.84
04	5420	364		Tourism Office Rent	\$0.00		\$4,900.00	\$4,900.00	\$4,900.00	\$0.00
04	5420	505		Tourism-Chamber of Commerce	\$1,500.00			\$1,500.00	\$0.00	\$1,500.00
04	5420	507		Tourism Committee Support	\$1,000.00			\$1,000.00	\$0.00	\$1,000.00
04	5420	576		Tourism Travel	\$0.00		\$1,000.00	\$1,000.00	\$276.24	\$723.76
04	5420	578		Tourism Utilities	\$0.00		\$1,500.00	\$1,500.00	\$835.26	\$664.74
04	5425	348		Festivals & Celebrations	\$5,000.00		\$20,000.00	\$25,000.00	\$24,908.64	\$91.36
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**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
04	5425	507		Community Educational Program	\$8,000.00		(\$8,000.00)	\$0.00	\$0.00	\$0.00
04	5430	106		Sports Complex Staff	\$0.00		\$2,861.53	\$2,861.53	\$2,861.53	\$0.00
04	5430	107		Sports Complex Director	\$0.00		\$9,525.20	\$9,525.20	\$9,525.20	\$0.00
04	5430	306		Advertising Sales Commission	\$0.00		\$650.00	\$650.00	\$650.00	\$0.00
04	5430	425		Sports Complex Food	\$0.00		\$135.00	\$135.00	\$135.00	\$0.00
04	5430	573		Sports Complex Telephone	\$0.00		\$175.57	\$175.57	\$175.57	\$0.00
04	5430	578		Sports Complex Utilities	\$0.00		\$8,481.81	\$8,481.81	\$8,481.81	\$0.00
04	6105	311		Contracted Construction-Roads	\$150,000.00		(\$90,000.00)	\$60,000.00	\$54,920.70	\$5,079.30
04	6105	312		Contracted Construction-Bridges	\$150,000.00		(\$90,000.00)	\$60,000.00	\$59,880.00	\$120.00
04	6105	364		Land & Equip Rents-County Gara	\$20,000.00		\$9,000.00	\$29,000.00	\$28,729.28	\$270.72
04	6105	441		Machinery and Equipment	\$0.00		\$7,000.00	\$7,000.00	\$7,000.00	\$0.00
04	6105	443		Motor Vehicle and Equipment Par	\$60,000.00		\$30,000.00	\$90,000.00	\$87,001.14	\$2,998.86
04	6105	447		Road Materials & Supplies	\$225,000.00		\$40,000.00	\$265,000.00	\$264,699.85	\$300.15
04	6105	455		Petroleum Products	\$150,000.00		\$53,800.00	\$203,800.00	\$203,752.46	\$47.54
04	6105	713		Highway/Road Equipment	\$17,400.00		(\$17,400.00)	\$0.00	\$0.00	\$0.00
04	7500	603		Equipment Prin. Payments	\$40,000.00		\$2,710.00	\$42,710.00	\$42,709.39	\$0.61
04	7500	607		Equipment Interest	\$3,500.00		\$220.00	\$3,720.00	\$3,716.86	\$3.14
04	7700	602		Leases - Principal	\$5,300.00		\$6,900.00	\$12,200.00	\$12,076.85	\$123.15
04	7700	603		HSC Van-Lease Purch., Principal	\$4,500.00			\$4,500.00	\$4,347.80	\$152.20
04	7700	606		Leases - Interest	\$200.00		\$1,500.00	\$1,700.00	\$1,648.99	\$51.01
04	7700	607		SC Van-Lease Purch., Interest	\$300.00			\$300.00	\$277.72	\$22.28
04	8003	741		Bridge Material	\$40,000.00		\$10,000.00	\$50,000.00	\$46,000.67	\$3,999.33
04	9100	531		Bonds for Officials	\$1,000.00			\$1,000.00	\$0.00	\$1,000.00
04	9200	999		Reserve for Transfers	\$254,499.00	\$124,111.88	(\$362,758.54)	\$15,852.34	\$0.00	\$15,852.34
04	9400	201		Social Security (OAS)	\$60,000.00		\$20,000.00	\$80,000.00	\$76,595.21	\$3,404.79
04	9400	202		Retirement Contribution	\$100,000.00		\$150,000.00	\$250,000.00	\$204,890.99	\$45,109.01
04	9400	204		Life Insurance	\$9,000.00		\$280.00	\$9,280.00	\$9,276.65	\$3.35
04	9400	205		Health Insurance	\$300,000.00		\$42,000.00	\$342,000.00	\$313,742.51	\$28,257.49
04	9400	208		Unemployment Insurance	\$12,000.00		\$700.00	\$12,700.00	\$12,698.62	\$1.38
04	9400	209		Workers' Compensation	\$48,000.00		\$42,457.12	\$90,457.12	\$90,457.12	\$0.00
06	5075	323		Engineering Services	\$0.00		\$97,500.00	\$97,500.00	\$97,500.00	\$0.00
06	5120	745		Fire Hydrants	\$0.00		\$30,500.00	\$30,500.00	\$30,493.24	\$6.76
06	5121	507		Volunteer Fire Depart Support	\$150,000.00		\$49,900.00	\$199,900.00	\$199,867.36	\$32.64
06	5130	507		Fire & Rescue Squad Support	\$15,000.00		(\$15,000.00)	\$0.00	\$0.00	\$0.00
06	5220	323		Water System Engineering	\$0.00		\$142,100.00	\$142,100.00	\$142,067.08	\$32.92
06	5220	742		Water Plant Construction	\$0.00		\$501,600.00	\$501,600.00	\$501,558.51	\$41.49
06	5220	743		Water System Transport Lines	\$0.00		\$1,159,500.00	\$1,159,500.00	\$1,159,463.51	\$36.49
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**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
06	5340	315		Knott Drug Abuse Council Draws	\$25,000.00			\$25,000.00	\$24,179.49	\$820.51
06	5401	334		Park Building Maint & Repairs	\$0.00		\$92,200.00	\$92,200.00	\$92,152.89	\$47.11
06	5401	467		Recreation Supplies & Equip	\$0.00		\$70,000.00	\$70,000.00	\$68,293.44	\$1,706.56
06	5401	709		Furniture & Fixtures	\$0.00		\$10,000.00	\$10,000.00	\$8,923.00	\$1,077.00
06	5401	718		Park Construction Projects	\$0.00		\$3,000.00	\$3,000.00	\$2,624.05	\$375.95
06	5435	348		Arts/Crafts-Sm. Business Cap.	\$250,000.00			\$250,000.00	\$250,000.00	\$0.00
06	7100	605		Interest on Bonds	\$0.00			\$0.00	\$0.00	\$0.00
06	8001	323		Building Engineering Services	\$0.00		\$86,000.00	\$86,000.00	\$83,979.60	\$2,020.40
06	8001	742		Buildings and Construction	\$2,000,000.00		(\$1,062,600.00)	\$937,400.00	\$937,319.22	\$80.78
06	8099	373		Contracted Construction	\$0.00		\$93,500.00	\$93,500.00	\$93,479.26	\$20.74
06	8099	718		Construction Projects	\$0.00		\$28,800.00	\$28,800.00	\$28,768.75	\$31.25
06	9200	999		Reserve for Transfers	\$680,000.00	\$1,149,210.87	(\$1,829,150.95)	\$59.92	\$0.00	\$59.92
06	9500	902		Grant Proceeds Returned Unused	\$0.00		\$37,429.00	\$37,429.00	\$37,429.00	\$0.00
07	5220	503		Bank Charges	\$0.00		\$200.00	\$200.00	\$130.00	\$70.00
07	5220	742		Water System Bldg & Constr	\$0.00	\$3,900,500.00		\$3,900,500.00	\$2,570,908.00	\$1,329,592.00
07	9200	999		Reserve for Transfers	\$544.98	\$166,306.95	(\$200.00)	\$166,651.93	\$0.00	\$166,651.93
08	6105	310		Damaged Building Repairs	\$0.00		\$10,000.00	\$10,000.00	\$918.30	\$9,081.70
08	6105	311		Damaged Road Repairs	\$0.00		\$127,000.00	\$127,000.00	\$126,710.25	\$289.75
08	6105	312		Damaged Bridge Repairs	\$0.00		\$62,500.00	\$62,500.00	\$12,500.00	\$50,000.00
08	9200	999		Reserve for Transfers	\$56,200.00	\$323,467.11	(\$199,500.00)	\$180,167.11	\$0.00	\$180,167.11
12	5150	513		Forest Fire Prevention	\$4,000.00			\$4,000.00	\$3,858.00	\$142.00
12	9200	999		Reserve for Transfers	\$1,900.00	\$614.95		\$2,514.95	\$0.00	\$2,514.95
14	5401	106		Sports Complex Staff	\$0.00		\$210,000.00	\$210,000.00	\$206,585.31	\$3,414.69
14	5401	107		Sports Complex Director	\$0.00		\$22,000.00	\$22,000.00	\$21,431.70	\$568.30
14	5401	302		Advertising	\$0.00		\$11,000.00	\$11,000.00	\$7,805.47	\$3,194.53
14	5401	306		Advertising Sales Commission	\$0.00		\$4,000.00	\$4,000.00	\$3,010.00	\$990.00
14	5401	334		Maintenance & Repair Building	\$0.00		\$5,000.00	\$5,000.00	\$1,335.99	\$3,664.01
14	5401	336		Maintenance & Repair Equipment	\$0.00		\$5,000.00	\$5,000.00	\$1,615.00	\$3,385.00
14	5401	365		Security Services	\$0.00		\$5,000.00	\$5,000.00	\$4,076.50	\$923.50
14	5401	398		Contracted Services-Other	\$0.00		\$29,000.00	\$29,000.00	\$28,693.00	\$307.00
14	5401	406		Building Maintenance Supplies	\$0.00		\$17,500.00	\$17,500.00	\$13,783.26	\$3,716.74
14	5401	411		Janitorial Supplies	\$0.00		\$17,500.00	\$17,500.00	\$15,468.00	\$2,032.00
14	5401	428		Items for Resale	\$0.00		\$105,000.00	\$105,000.00	\$102,477.39	\$2,522.61
14	5401	445		Office Supplies	\$0.00		\$12,000.00	\$12,000.00	\$10,360.55	\$1,639.45
14	5401	467		Recreation Supplies & Equipment	\$0.00		\$41,000.00	\$41,000.00	\$39,038.17	\$1,961.83
14	5401	499		Other Materials & Supplies	\$0.00		\$14,000.00	\$14,000.00	\$11,176.95	\$2,823.05
14	5401	529		Liability Insurance	\$0.00		\$1,900.00	\$1,900.00	\$1,600.00	\$300.00
2008				4Q	Page 9 of 10			Thursday, March 11, 2010		

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Maj	Min	Sub	Description	Budget Original	Amendment	Transfers	Total Available	Claims Allowed	Free Balance
14	5401	567		Refunds	\$0.00		\$1,000.00	\$1,000.00	\$700.00	\$300.00
14	5401	572		Sales & Use Tax	\$0.00		\$11,000.00	\$11,000.00	\$10,857.71	\$142.29
14	5401	573		Telephone-Sports Complex	\$0.00		\$8,000.00	\$8,000.00	\$6,342.28	\$1,657.72
14	5401	578		Utilities-Sports Complex	\$0.00		\$65,000.00	\$65,000.00	\$60,974.13	\$4,025.87
14	9200	999		Reserve for Transfers	\$0.00	\$533,000.00	(\$533,000.00)	\$0.00	\$0.00	\$0.00
14	9400	201		Social Security (OAS)	\$0.00		\$22,000.00	\$22,000.00	\$17,080.93	\$4,919.07
14	9400	202		Retirement Contribution	\$0.00		\$12,000.00	\$12,000.00	\$10,452.93	\$1,547.07
14	9400	204		Life Insurance	\$0.00		\$100.00	\$100.00	\$71.45	\$28.55
14	9400	205		Health Insurance	\$0.00		\$14,000.00	\$14,000.00	\$11,699.56	\$2,300.44
75	5135	551		Emergency Management Member	\$150.00			\$150.00	\$120.00	\$30.00
75	5145	107		E-911 Coordinator Salary	\$28,500.00			\$28,500.00	\$28,288.52	\$211.48
75	5145	314		Regional Program Support	\$50,000.00			\$50,000.00	\$44,393.05	\$5,606.95
75	5145	315		Contracts with Private Agency-Pa	\$1,200.00			\$1,200.00	\$0.00	\$1,200.00
75	5145	333		Maintenance Agreements	\$5,000.00			\$5,000.00	\$4,500.00	\$500.00
75	5145	340		Vehicle Maintenance	\$750.00			\$750.00	\$526.34	\$223.66
75	5145	445		Office Supplies	\$5,000.00			\$5,000.00	\$4,066.37	\$933.63
75	5145	499		Other Materials & Supplies	\$1,000.00		\$1,000.00	\$2,000.00	\$1,897.65	\$102.35
75	5145	573		Telephone	\$15,000.00			\$15,000.00	\$13,250.92	\$1,749.08
75	5145	573		Travel	\$500.00			\$500.00	\$0.00	\$500.00
75	5145	703		Communication Equipment	\$2,000.00		\$5,000.00	\$7,000.00	\$6,007.37	\$992.63
75	7500	603		Fifth Third Bank-Principal	\$10,000.00			\$10,000.00	\$10,000.00	\$0.00
75	7500	607		Fifth Third Bank- Interest	\$2,200.00			\$2,200.00	\$1,755.00	\$445.00
75	7700	603		Leased Vehicle - Principal	\$4,000.00			\$4,000.00	\$0.00	\$4,000.00
75	7700	607		Leased Vehicle - Interest	\$50.00			\$50.00	\$0.00	\$50.00
75	9200	999		Reserve for Transfers	\$17,450.00	\$11,808.46	\$26,647.00	\$55,905.46	\$0.00	\$55,905.46
75	9400	201		Social Security (OAS)	\$2,200.00			\$2,200.00	\$1,940.12	\$259.88
75	9400	202		Retirement Contribution	\$4,200.00		\$500.00	\$4,700.00	\$4,635.34	\$64.66
75	9400	204		Life Insurance	\$400.00			\$400.00	\$211.32	\$188.68
75	9400	205		Health Insurance	\$8,000.00			\$8,000.00	\$5,753.64	\$2,246.36
75	9400	208		Unemployment Insurance	\$1,000.00			\$1,000.00	\$261.16	\$738.84
75	9400	209		Workers Compensation	\$2,500.00			\$2,500.00	\$1,366.29	\$1,133.71
76	7100	605		Interest on Bonds	\$422,500.00			\$422,500.00	\$422,500.00	\$0.00
76	8001	327		Youth Ctr Fiscal Agent Charges	\$0.00		\$1,000.00	\$1,000.00	\$1,000.00	\$0.00
76	8001	742		Youth & Recreation Center Const	\$2,117,500.00		\$644,345.82	\$2,761,845.82	\$2,761,845.82	\$0.00
76	9200	999		Reserve for Transfers	\$0.00	\$965,374.61	(\$283,658.31)	\$681,716.30	\$0.00	\$681,716.30
<b>TOTALS</b>					<b>\$13,330,960.78</b>	<b>\$8,001,499.61</b>	<b>\$0.00</b>	<b>\$21,332,460.39</b>	<b>\$17,631,780.43</b>	<b>\$3,700,679.96</b>

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**



Production

**Department for Local Government**

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

(502) 573-2382 or (800) 346-5606

**Liabilities Data**

**060 - Knott**

Fund	Maj	Min	Suffix	Description	Total	Balance	Term	Rate	Issue Information	Total	Res. Earn.	Outstand.	Next	Final
<b>01</b>														
PRI	7503	603		PICKUP TRUCK	\$36,222.00	\$21,088.12	36	00.0730		\$40,406.76				
INT	7503	607			\$4,184.76	\$1,360.08			Issued 02/09/2007			\$22,448.20	Next 07/09/2008	Final 03/09/2010
<b>01</b>														
PRI	7600	699		FERN TAYLOR	\$47,580.00	\$31,720.00	180	00.0000		\$47,580.00				
INT					\$0.00	\$0.00			Issued 01/01/1975			\$31,720.00	Next 07/11/2008	Final 06/30/2018
<b>02</b>														
PRI	7200	601		ROAD BOND	\$1,500,000.00	\$1,384,115.99	120	00.0550		\$1,970,444.86				
INT	7200	605			\$470,444.86	\$389,284.37			Issued 07/01/2007			\$1,773,400.36	Next 01/01/2009	Final 07/01/2017
<b>03</b>														
PRI	7500	603		JAIL REMODELING	\$225,000.00	\$105,000.00	84	00.0430		\$262,481.66				
INT	7500	607			\$37,481.66	\$9,318.75			Issued 01/10/2516			\$114,318.75	Next 10/20/2008	Final 05/01/2011
<b>03</b>														
PRI	7600	601		KY RIVER REGIONAL JAIL	\$1,528,750.00	\$1,243,750.00	300	00.0390		\$2,641,833.75				
INT	7600	605			\$1,113,083.75	\$558,081.56			Issued 12/01/2001			\$1,801,831.56	Next 12/01/2008	Final 12/01/2026
<b>04</b>														
PRI	7500	603		GRADER	\$155,518.00	\$48,407.13	48	00.0510		\$171,420.00				
INT	7500	607			\$15,902.00	\$1,590.37			Issued 09/23/2005			\$49,997.50	Next 07/10/2008	Final 08/23/2009

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**

Fund	Major	Minor	Suffix	Description	Total	Balance	Term	Rate	Issue Information	Payments Due
<b>04</b>										
PRI	7700	602		VEHICLE	\$19,990.00	\$902.95	48	00.0450	Total	\$21,792.00
INT	7700	606			\$1,802.00	\$5.05	Issued	10/04/2004	Res. Earn.	
									Outstand.	\$908.00
									Next	07/01/2008
									Final	08/01/2008
<b>04</b>										
PRI	7700	602		LOADER	\$44,742.00	\$36,737.44	48	00.0550	Total	\$49,667.04
INT	7700	606			\$4,925.04	\$3,617.03	Issued	11/20/2007	Res. Earn.	
									Outstand.	\$40,354.47
									Next	08/01/2008
									Final	10/01/2011
<b>04</b>										
PRI	7700	603		VAN	\$16,876.00	\$3,385.94	48	00.0480	Total	\$18,502.08
INT	7700	607			\$1,626.08	\$83.20	Issued	04/01/2005	Res. Earn.	
									Outstand.	\$3,469.14
									Next	08/01/2008
									Final	03/31/2009
<b>75</b>										
PRI	7500	603		PAGER PROJECT	\$70,000.00	\$20,000.00	84	00.0350	Total	\$83,593.54
INT	7500	607			\$13,593.54	\$2,255.00	Issued	10/20/2003	Res. Earn.	
									Outstand.	\$22,255.00
									Next	10/20/2008
									Final	04/20/2010
<b>76</b>										
PRI	7100	601		YOUTH CENTER AND ADULT	\$8,450,000.00	\$8,450,000.00	264	00.0500	Total	\$13,574,750.00
INT	7100	605		WELLNESS CENTER	\$5,124,750.00	\$5,124,750.00	Issued	09/13/2006	Res. Earn.	
									Outstand.	\$13,574,750.00
									Next	09/01/2008
									Final	09/01/2028
<b>TOTALS-PRI</b>					<b>\$12,094,678.00</b>	<b>\$11,345,107.57</b>				
<b>TOTALS-INT</b>					<b>\$6,787,793.69</b>	<b>\$6,090,345.41</b>				
							<b>Issues</b>		<b>\$18,882,471.69</b>	
							<b>Res. Earn.</b>			
							<b>Outstand.</b>		<b>\$17,435,452.98</b>	

**KNOTT COUNTY**  
**FOURTH QUARTER FINANCIAL STATEMENT**  
**For The Year Ended June 30, 2008**  
**(Continued)**



*Production*

**Department for Local Government**

1024 Capital Center Drive, Suite 340

Frankfort, Kentucky 40601

(502) 573-2382 or (800) 346-5606

**Liabilities\_TOTAL Data**

**060 - Knott**

Long term	Short term	Total
\$11,345,107.57		\$11,345,107.57

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**KNOTT COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**



**KNOTT COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Fiscal Year Ended June 30, 2008**

Federal Grantor			
Program Title	Federal		
<u>Grant Name</u>	<u>CFDA #</u>	<u>Grant Number</u>	<u>Expenditures</u>
<b><u>U.S. Department of Commerce</u></b>			
<b><u>National Oceanic and Atmospheric Administration</u></b>			
Congressionally Identified Awards and Projects			
PRIDE Community Grant	11.469	CF06-15	29,153
<b><u>U.S. Department of Homeland Security</u></b>			
Passed-Through State Department of Military Affairs			
Disaster Grants - Public Assistance	97.036	FEMA-1407-DR-KY	0
Disaster Grants - Public Assistance	97.036	FEMA-1454-DR-KY	0
Disaster Grants - Public Assistance	97.036	FEMA-1475-DR-KY	0
Disaster Grants - Public Assistance	97.036	FEMA-1523-DR-KY	0
Disaster Grants - Public Assistance	97.036	FEMA-1703-DR-KY	140,129
			<u>140,129</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed-Through Department for Local Government (DLG)			
Community Development Block Grant (CDGB) -			
Carr Creek Water Treatment Plant	14.228	04-038	1,795,599
<b><u>U.S. Environmental Protection Agency</u></b>			
Capitalization Grants For Clean Water			
State Revolving Funds			
Carr Creek Water Treatment Plant	66.458		775,309
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed-Through Kentucky River Area Development District (KRADD)			
Special Program for the Aging			
Title III B,C,D Grant and Homecare Program	93.044		59,877
<b><u>U.S. Department of Agriculture</u></b>			
Passed-Through Kentucky River Area Development District (KRADD)			
Nutrition Services Incentives			
USDA Cash-in-Lieu of Commodities Program	10.570		<u>28,598</u>
<b>Total Federal Awards</b>			<u>\$ 2,828,665</u>

**KNOTT COUNTY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Year Ended June 30, 2008**

Note 1 - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Knott County, Kentucky and is presented on a modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**





*Simon,  
Underwood &  
Associates* PSC

Certified Public Accountants and Consultants

The Honorable Randy Thompson, Knott County Judge/Executive  
Members of the Knott County Fiscal Court

Report On Internal Control Over Financial Reporting And  
On Compliance And Other Matters Based On An Audit Of Financial Statements  
Performed In Accordance With Government Auditing Standards

We were engaged to audit the financial activity contained in the Fourth Quarter Report of Knott County, Kentucky, as of and for the year ended June 30, 2008, and have issued our report thereon dated June 30, 2009, wherein, we disclaimed an opinion on the Fourth Quarter Report. Because we were unable to place reliance on the accuracy, validity, and completeness of the county's Fourth Quarter Report and because audit risk is at an unacceptable level, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial activity contained in the Fourth Quarter Report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Knott County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Fourth Quarter Report, but not for the purpose of expressing an opinion on the effectiveness of Knott County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Knott County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiencies 2008-03, 2008-05, 2008-08, 2008-09, 2008-10, and 2008-11 described in the accompanying schedule of findings and questioned costs, to be significant deficiencies in internal control over financial reporting.

Report On Internal Control Over Financial Reporting  
And On Compliance And Other Matters Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

Internal Control Over Financial Reporting (Continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiencies described above to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Knott County's Fourth Quarter Report is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are included in the accompanying schedule of findings and questioned costs as items 2008-01, 2008-02, 2008-04, 2008-05, 2008-06, 2008-07, 2008-12, and 2008-13.

The Knott County Judge/Executive's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. We did not audit the Judge/Executive's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Department for Local Government, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.



Simon, Underwood & Associates PSC  
Certified Public Accountants and Consultants

Louisville, Kentucky  
June 30, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**





*Simon,  
Underwood &  
Associates* PSC

Certified Public Accountants and Consultants

The Honorable Randy Thompson, Knott County Judge/Executive  
Members of the Knott County Fiscal Court

Report on Compliance With Requirements  
Applicable To Each Major Program And On Internal  
Control Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Knott County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Knott County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Knott County's management. Our responsibility is to express an opinion on Knott County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Knott County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Knott County's compliance with those requirements.

In our opinion, Knott County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Knott County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Knott County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Knott County's internal control over compliance.

Report On Compliance With Requirements  
Applicable To Each Major Program And On Internal Control  
Over Compliance In Accordance With OMB Circular A-133  
(Continued)

Internal Control Over Compliance (Continued)

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that a noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Department for Local Government, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.



Simon, Underwood & Associates PSC  
Certified Public Accountants and Consultants

Louisville, Kentucky  
June 30, 2009

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For The Year Ended June 30, 2008**



**KNOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Fiscal Year Ended June 30, 2008**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses a disclaimer opinion on the financial activity contained in the Fourth Quarter Report of Knott County, Kentucky.
2. Six significant deficiencies relating to the internal control of the audit of the Fourth Quarter Report are reported in the Independent Auditor's Report. All are considered to be material weaknesses.
3. Eight instances of noncompliance material to the Fourth Quarter Report of Knott County were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal awards programs is reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal awards programs for Knott County expresses an unqualified opinion.
6. There are no audit findings relative to the major federal awards programs for Knott County reported in Part C of this schedule.
7. The programs tested as a major programs were: Community Development Block Grant (CFDA #14.228) and Environmental Protection Construction Grant (CFDA #66.458)
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Knott County was determined to be a high-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**2008-01 Over \$8.2 Million In Public Funds Were Expensed For The Knott County Youth Foundation By Fiscal Court Without A Formal Agreement Between The County And The Youth Center With \$2.7 Million Being Spent Without Land Ownership**

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In prior year, without any formal written agreement to document the transactions, Knott County Fiscal Court gave over \$8.2 million of county bond proceeds, and over \$2 million of county coal severance tax funds, to the Knott County Youth Foundation, Inc. (Foundation), a private, non-profit corporation, for a youth and recreation center project, known as the Sportsplex. Of this total amount of \$10.2 million of the county's public funds, \$2.7 million was spent by the private Foundation on the project before the private donor corporation that donated the land for the project had transferred ownership of the real property on which the project was to be built to either the fiscal court or the Foundation. On February 8, 2007, a deed transferring ownership of the land to the Foundation was recorded with the county clerk. A reversionary clause was included in the Foundation's deed that states, "if the Land and/or the Sports complex shall cease to be continuously used and properly maintained and landscaped as a public park, wellness center and/or recreation facility," at the donor corporation's option, it may cause the title to revert back to the donor corporation, and that the donor corporation will pay fair market value of the building and other improvements. The judge/executive stated that should this event occur, the fiscal court would receive the building proceeds; however, it is not so stated in the deed, which transferred title to the land from the private donor corporation to the private Foundation.

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-01 Over \$8.2 Million In Public Funds Were Expensed For The Knott County Youth Foundation By Fiscal Court Without A Formal Agreement Between The County And The Youth Center With \$2.7 Million Being Spent Without Land Ownership (Continued)**

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The Foundation is a private, non-profit corporation with a board of directors consisting of private citizens, including the county judge/executive and the county coroner. The judge/executive was the incorporator of the Foundation, and serves as both a director and the president of the Foundation. The county coroner serves as both a director and the secretary of the Foundation. Thus, the judge/executive, as a public official, serves, simultaneously, as both the chief executive of the county, a public, governmental entity, and as a private director and president of a private Foundation, which has received over \$10.2 million of the county's public funds without written agreements or other formal documents to support the financial transactions between the county and the Foundation. Also, several individuals were hired and paid by the fiscal court for the center, with many receiving full-time benefits before any operating agreement existed between the Foundation and the County.

The first year bond payments, beginning September 1, 2006, are being made from the county's bond sinking fund. According to the judge/executive, the fiscal court will be making the bond payments from the county's coal severance money from which the county would earmark \$500,000 per year. The current year bond interest payment was made from the construction bond funds. The continued availability of coal severance money is subject to actions of the General Assembly, and cannot be relied upon by the county as a continual revenue source. The per-year average of principal and interest payments to be made by the county over the 20-year bond is \$636,000.

Section 171 of the Kentucky Constitution does not permit a county to expend public funds for other than public purposes. We received a copy of the architectural contract directly from the contractor on April 25, 2007 as the county was unable to locate a copy. The architectural contract was dated June 1, 2005 and has had no modifications or renewals since.

A formal written lease and memorandum of agreement was adopted by the fiscal court on April 2, 2007, between the Knott County Youth Foundation and the Knott County Fiscal Court. The two page agreement vaguely defines funding, profits, rent, use, utilities, repairs and maintenance, assignment and subletting, waiver of liability, inspection, employees, and a miscellaneous section.

The agreement states that the Fiscal Court is to continue to seek funding, fund recurring and operating costs, is responsible for utilities, keep and maintain the premises, and all employees shall be employees of the Fiscal Court for the Sportsplex on behalf of the Knott County Youth Foundation. It does not address the initial gift of bond funds or the funding of the debt service payments for the bonds issued to the Fiscal Court and subsequently given to the Knott County Youth Foundation Trust Fund for the construction of the Sportsplex. It also does not define the lines of legal liabilities for each entity.

The agreement does not clearly define who owns the building now that construction has been completed, though it does define that Western Pocahontas Properties' Limited Partnership and Family Tree Properties have and can exercise a reversionary interest in the rights to the property upon which the building is constructed.

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-01 Over \$8.2 Million In Public Funds Were Expensed For The Knott County Youth Foundation By Fiscal Court Without A Formal Agreement Between The County And The Youth Center With \$2.7 Million Being Spent Without Land Ownership (Continued)**

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The agreement is executed by the Vice President of the Knott County Youth Foundation and the Judge/Executive of Knott County Fiscal Court. The President of the Knott County Youth Foundation is also the Judge/Executive of Knott County Fiscal Court and as such has a fiduciary responsibility to act on behalf of both entities best interests. This is considered a conflict of interest.

Of the invoices submitted for payment by the Fiscal Court on behalf of the Sportsplex, only copies of invoices are received for payment. In the Fiscal Court minutes where the Sportsplex (Youth Center) invoices are submitted for approval to be paid, an official list is incorporated as part of the minutes of the meeting indicating what invoices have been approved for payment.

We recommend the Attorney General and County Attorney review all transactions between the county and the Foundation relating to the Youth Center project to determine (1) whether the judge/executive's acting as both a county public official and a private corporation's president created any conflicts of interest, (2) whether actions of the judge/executive involving financial transactions of the county related to the Youth Center project comply with state laws, and (3) whether the fiscal court can lawfully fund recurring and operating costs of a facility owned by a private non-profit corporation, the Foundation, with no monitoring of the written agreement supporting such an arrangement. Additionally, the special warranty deed should be reviewed to determine the county's actual interest.

We recommend the Attorney General and county attorney review all transactions relating to the lease and memorandum of agreement to determine if any legal or ethical violations have occurred. We recommend the review also consider the clarification of interests, rights and financial obligations on behalf of both parties. We further recommend that the County Judge/Executive remove himself from all transactions presented to the Fiscal Court for the Knott County Youth Foundation and also remove himself from all transactions presented to the Knott County Youth Foundation on behalf of the Fiscal Court.

We also recommend that the fiscal court, with the Foundation related to the Youth Center project, clearly define the oversight and applicability of purchasing walls and other administrative practices, namely, the provision of insurance. Further, the agreement should also provide for the ongoing maintenance, operations and staffing of the Youth Center project.

We recommend that the Fiscal Court require audited financial statements of the Knott County Youth Foundation to be reviewed on an annual basis.

*County Judge/Executive Randy Thompson's Response: The Knott Fiscal Court has requested an audit be performed on Knott County Youth Foundation financials. The Fiscal Court and the Knott County Youth Foundation requested opinions, with respect to leases and conflicts of interest, from legal counsel of DLG and LRC, both advised they saw no problems with the arrangements, the county attorney agreed and followed their advice, if the AG wants to investigate, we would welcome that as well, as we do want all to be above board and correct.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-02 \$412,035 In Public Funds Were Used For The Knott County Adventure Tourism Park System (ATV Center) While On Private Property**

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Prior to February 8, 2007, the Knott County Fiscal Court spent \$412,035 on the Knott County ATV Center before a deed transferring ownership of the land on which the Center is located from private donors to the fiscal court was executed and recorded. The county clerk recorded a deed on February 8, 2007, to transfer ownership to fiscal court. We noted the deed recorded apparently did not have signatures from all of the grantor property owners.

Since the ATV Center expenditures were paid with county funds two months prior to the time the county obtained legal title to the property on which the Center is located, it would appear Section 171 of the Kentucky Constitution may have been violated. Section 171 does not permit a county to expend public funds for private purposes. In addition, the county risked \$412,035 by not obtaining land ownership prior to incurring expenditures related to the ATV Center. Also, a risk still remains due to the lack of full execution of the deed indicated by not having all of the grantors' signatures.

We recommend the Attorney General and county attorney review all transactions relating to the ATV Center to determine if any laws or regulations were violated. In addition, the county attorney should review the deed to ensure its legitimacy.

*County Judge/Executive Randy Thompson's Response: Again, these transactions were followed after advice from county attorney and counsel for GOLD, the deed has been reviewed to the point a forensic expert examined to verify signatures. If however, the AG thinks more review is needed, we certainly won't object.*

**2008-03 Knott County Fiscal Court Lacks Controls Over County Vehicles And Cell Phones Provided To County Employees**

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Numerous county vehicles are maintained by the county and assigned to employees for business use. The county pays for insurance coverage, repairs/maintenance, and fuel for these county vehicles. Also, the fiscal court maintains forty-five (45) cell phones and pays for the telephone, usage charges, long-distance, replacement phones, and repairs for each telephone.

Even though the county's vehicle and cell phone use policy restricts the use of county cell phones and vehicles to fiscal court business only, mileage and phone logs do not contain information sufficient to distinguish personal use from business use. In the mileage logs tested, vital information was not included, such as the actual mileage for each trip. In addition, the vehicle use policy approved by the fiscal court only requires out-of-county trips be logged by officials/employees. Documentation of in-county mileage is not required. The cell phone use policy only requires that personal calls be logged by officials/employees. The above weaknesses increase the risk that employees are using cell phones and vehicles for personal reasons because employees are not required to account for every call or mile that is used or traveled with public property. Documenting personal use of cell phones and vehicles is important to allow it to be properly reported as compensation/employee benefit on W-2s in accordance with IRS regulations.

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-03 Knott County Fiscal Court Lacks Controls Over County Vehicles And Cell Phones Provided To County Employees (Continued)**

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We also question the necessity for county vehicles and cell phones for employees, other than those who are on call at all times. The cost of these vehicles and telephones for usage, maintenance, and insurance significantly increases cost to taxpayers.

We recommend the county improve controls over county vehicles and cell phones by implementing the following:

- The fiscal court should contact the Kentucky Department of Revenue and the Internal Revenue Service relating to wage reporting and enforce current policy related to vehicles assigned.
- Every employee and every department that has county cell phones and vehicles should maintain logs. The logs should include, at a minimum, the date, destination, purpose, and mileage for ALL use of the vehicle and the usage for ALL cell phones and should be monitored by the Treasurer.
- The county should evaluate the necessity of county cell phones and vehicles for each employee. Cell phones and vehicles should be assigned based on criteria established by the fiscal court and not for the convenience of the official/employee. In addition, the county should explore alternatives for county-related travel, including the possibility of compensating employees based on a usage/mileage reimbursement rate when their personal cell phone or vehicle is used for business travel instead of providing a county cell phone or vehicle for business use.

*County Judge/Executive Randy Thompson's Response: Duly noted, steps have been put into place to better police vehicle and cell phone usage by county employees, we do use the honor system and regularly remind employees they are not to use cell phones for private calls. Only employees that are on call 24/7 are permitted to drive county vehicle home, they are charged for the mileage, deducted from their checks.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-04 Knott County Fiscal Court Failed To Take Corrective Action Of The Prior Year Ended June 30, 2005 Comment Relating To Restricted Funds**

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▪ **The County's General Fund Owes The LGEA Fund \$200,000**

During the prior year audit the General Fund did not repay the amounts stated to the LGEA Fund. We recommend the County consult with the Department for Local Government to determine if funds spent by the General Fund would comply with LGEA expenditure restrictions.

*County Judge/Executive Randy Thompson's Response: These items took place long before Judge Thompson was in office, he has attempted to correct any and all that are/were possible.*

**2008-05 All Contingent Liabilities Should Be Disclosed To The Fiscal Court**

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According to the county attorney's representation letter received by us, there are several contingent liabilities, however in reviewing the minutes of the Fiscal Court, they are not discussed nor is a closed session indicated in which these contingent liabilities are brought to the attention of the Fiscal Court.

We recommend the county attorney or Attorney General review these transactions for appropriateness and ensure the transactions are disclosed to the Fiscal Court. Also, the Department for Local Government (DLG) should be notified in writing of all resolutions to these contingent liabilities. We further recommend that in the future, the fiscal court have a clear plan and understanding of its responsibility relative to potential litigations.

*County Judge/Executive Randy Thompson's Response: None.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-06 The County Failed To Comply With State Laws And Regulations**

The county did not follow the guidelines set forth in the instructional guide and policy manual issued by the State Local Finance Officer and applicable Kentucky Revised Statutes. Specifically, the following non-compliances were noted:

- Fiscal court did not pay invoices within thirty (30) days as required. Ten (10) instances were noted in which payment to vendors occurred more than 30 days after the county received the invoice(s). In addition, the statutory 1% interest penalty was not paid to vendors for each month payments exceeded thirty (30) days. Approximately 30% of the invoices in the test sample were not paid within the statutory time frame.
- Three (3) out of thirty-five (35) were incorrectly recorded in the wrong account or fund-type.
- The fiscal court had adopted a policy for small purchase procedures as required on November 16, 2005. When practical, this policy requires several price quotations from reputable sources before purchases of less than \$20,000 are made. Based upon our review, no documentation was provided which indicated that the small purchase procedures were implemented.
- Purchase orders are issued on a haphazard basis at best. No controls are in place for monitoring when a purchase order is issued, when a purchase order should be issued, no matching of the purchase order to the invoice when received, no procedures in place for monitoring between a purchase order and the appropriation line item on the budget or between the purchase order and the amount paid.
- Fiscal court did not review the administrative code.
- Fiscal court does not have a written investment policy.
- The fiscal court has an established Federal Grant Fund. However, federal monies were accounted for in the following funds: the LGEA Fund, State Grant Fund, and Federal Grant Fund along with other non-federal monies.

KRS 68.020(5) outlines provisions for settlement of the treasurer's accounts within thirty (30) days after the close of each fiscal year. A written security agreement is a requirement of 12 U.S.C. § 1823(e). KRS 68.005(2) states, "The fiscal court shall review the county administrative code annually and, during the month of June, may by a two-thirds majority of the entire fiscal court amend the county administrative code at that time." Requirements for a written investment policy are addressed in KRS 66.480(3). Compliance requirements regarding expenditures are noted in KRS 65.140(2), which requires all bills for goods and services to be paid in full within thirty (30) working days of receiving vendor invoices. It continues to state that if payment of invoices exceeds thirty (30) days, a 1% interest penalty should be added. Also, the county's administrative code states the fiscal court adopted KRS Chapter 45A, *Model Procurement Code*, in its entirety. KRS Chapter 45A.385 allows purchases without bidding for contracts less than the \$20,000 threshold if the small purchase procedures are in writing and available to the public.

We recommend the county review, utilize, and adhere to all applicable laws and regulations. Specifically, we recommend the county take the following action to comply with the Department for Local Government requirements and Kentucky Revised Statutes included within:

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-06 The County Failed To Comply With State Laws And Regulations (Continued)**

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- Ensure expenditures occur within thirty (30) days of receiving vendor invoices or compensate vendors according to statutory interest penalties for payments exceeding thirty (30) days.
- Review administrative code annually in June.
- Adopt a written investment policy.
- Follow the small purchasing procedures in accordance with the administrative code and KRS Chapter 45A, *Model Procurement Code*.
- Ensure that procedures are in place for the use of purchase orders, monitoring budget line items and reconciling to amounts paid.
- Ensure all financial transactions are recorded in the ledgers.
- Ensure that federal monies are accounted for in the appropriate funds.

*County Judge/Executive Randy Thompson's Response: Sometimes this is simply impossible, as the invoices aren't received in a timely manner. However we will make every attempt to comply.*

**2008-07 Knott County Fiscal Court Did Not Follow Competitive Bidding Requirements For County Projects**

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Based on the county's fourth quarter financial report, the fiscal court had \$1,466,623 of operating expenditures net of related debt, fixed assets and payroll. A sample of thirty-five (35) transactions was tested for compliance with contract bidding requirements. Of this sample, six (6) out of thirty-five (35) transactions were not competitively bid. Our test of compliance and internal controls noted \$254,931 out of \$1,466,623 were not bid.

According to the county's Administrative Code, the county has adopted, in its entirety, KRS Chapter 45A, the Kentucky "Model Procurement Code" (KMPC). According to KMPC, the county, as a local public agency, may dispense with the requirement of competitive bidding and contract purchase through noncompetitive negotiation only when 1) a written determination is made that competition is not feasible and 2) it is determined, in writing, by a designee of the county that an emergency exists which will cause public harm as a result of the delay in competitive procedures. We found neither any written determination that competition was not feasible, nor that an emergency was declared to exist. Thus, the county did not comply with the KMPC in the payment of these expenditures.

Competitive bidding ensures that the county procures materials and service contracts at the best price available. By limiting competition, the county may not get the benefits of the best price available.

We recommend the county review and adhere to applicable laws relating to procurement. Also, fiscal court should review related party transactions to determine if they are in violation of the county ethics policy. A list of related party transactions and the procurement tested, which were not competitively bid, have been forwarded to the Department for Local Government (DLG) and to the Attorney General.

*County Judge/Executive Randy Thompson's Response: The Knott Fiscal Court does advertise for competitive bids on all projects over \$20,000.00. The court tries to bid for services such as fuel, gravel, asphalt etc. every year.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-08 Knott County Fiscal Court Should Improve Controls Over Payroll Procedures**

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Several deficiencies were noted in the internal control structure as it relates to payroll, namely, in the documentation, preparation, and presentation of payroll items. The following issues were noted during payroll testing and need to be addressed by the fiscal court:

- Of the thirty-eight (38) timesheets tested, nine (9) timesheets tested did not contain proper supervisor signatures or proper employee signatures.
- Timesheets did not contain a week ending date to substantiate a valid timesheet for the weeks tested. Also, timesheets do not track actual daily hours employees work.
- In thirty (30) instances, employee files were missing W-4 or K-4 information, or both.
- Health insurance plan information should be maintained in a separate file other than individual personnel files based on confidentiality issues concerning the new Health Insurance Portability and Accountability Act of 1996 (HIPAA) laws.
- Treasurer holds full-time employment at a local bank as well as full-time employment for the county. The timesheets did not contain enough information to determine if the treasurer maintained a regular schedule.

The county's administrative code in 330.4 defines a full-time employee as "an employee who works at least forty (40) hours per week on a regularly scheduled basis."

KRS 337.320 requires that employers "keep a record of the hours worked each day and week by each employee." Timesheets are also necessary to document eligibility for employee benefits such as retirement.

Good internal controls dictate that all employees, except those statutorily exempt from this requirement, maintain and submit timesheets for payroll processing. To further strengthen internal controls, the timesheets should be signed by the employee and by the employee's immediate supervisor for verification and attestation of the accuracy of time reported.

Lack of proper internal controls for payroll increases the risk that incorrect payroll information will be processed by the county and that these errors will not be identified and corrected.

We recommend that the county implement the following internal control procedures to ensure the proper documentation, preparation, calculation and presentation of payroll related items:

- The county should ensure that employees' health insurance information is kept separate from the personnel files.
- The county should ensure that all deductions are applied consistently among all employees according to documentation filed in each employee's personnel file.
- The county should require all employees to maintain and submit timesheets with daily detail, except those statutorily exempt. Furthermore, the county should require employees and their immediate supervisors to sign all timesheets.

*County Judge/Executive Randy Thompson's Response: Will attempt to comply, we are a small county with a small multi-tasking staff, sometimes things accidentally get over-looked.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-09 Knott County Fiscal Court Expenditures Of Over \$254,931 Failed To Have Proper Documentation Or Comply With Payment Procedures**

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During the course of our engagement, we noted the county did not implement proper accounting and internal control procedures for financial management activities:

- Auditors noted six (6) expenditures out of thirty-five (35) tested, or \$254,931 out of \$1.47 million, which did not meet testing requirements (i.e. purchase order, original invoices, maintaining of records, bids, et cetera).
- Several invoices were noted as having descriptions on the invoices, which did not correspond to the classification of the account line item to which it was posted or the fund from which the payment was actually made.
- Purchase orders were not issued in accordance with established guidelines. Important information was often excluded from purchase orders such as product descriptions, quantities, prices, totals, and appropriation codes. Also, purchase orders were processed without proper approval signatures. Purchase orders were also issued without comparison to availability of budgeted funds.
- An accurate encumbrance list was not maintained. A variance of \$27,600 was noted between the county maintained Road Fund encumbrance list and the 4<sup>th</sup> Quarter Financial Statement.

Good internal controls dictate that adequate supporting documentation be maintained for all receipts and disbursements. The Department for Local Government (DLG) requires that original documentation be maintained for all expenditures. Copies of invoices and faxed invoices are unacceptable. All original invoices should agree to corresponding purchase orders. Additionally, all documentation for financing activity should be maintained and included on financial reports.

Proper accounting procedures and internal control policies should be in place. Bank reconciliations should be prepared for all accounts. Pre-numbered and preprinted checks should be used for disbursements. The use of counter checks should be limited. All checks should be stored in a secure location. All expenditures should be reviewed and approved by the fiscal court prior to payment. Also, disbursements should be made as soon as practical after the fiscal court approves the expenditures. Purchasing procedures should be in accordance with the Department of Local Government (DLG) requirements, specifically, purchase orders must include the appropriation account number to which the claim will be posted and proper approval by management or the department head. Vendor names, departments, product descriptions, quantities, and prices should be on each purchase order issued in order for the purchasing procedures to be effective. Sound management and a good internal control structure are essential for the achievement of full oversight and accountability.

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-09 Knott County Fiscal Court Expenditures Of Over \$254,931 Failed To Have Proper Documentation Or Comply With Payment Procedures (Continued)**

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Lack of proper accounting practices and internal controls increases the risk that misstatements of financial activity and/or fraud will occur and go undetected by the fiscal court. Without proper procedures in place to mitigate this risk, the fiscal court is exposing public resources to potential misstatements and/or fraud.

We recommend the county attorney or Attorney General review this matter to determine whether further action is warranted. We also recommend the fiscal court take critical steps to implement proper accounting and internal control procedures and monitor financial management activities by doing the following:

- Develop procedures for retaining adequate supporting documentation for all financial transactions.
  - Maintain original invoices for all expenditures.
  - Maintain proper documentation for all financing activities including, but not limited to, lease agreements and amortization schedules. Also, all financing activity should be included on financial reports as required.
- Develop procedures to ensure good accounting practices and internal control procedures.
  - Prohibit the use of counter checks and all checks should be kept in a secure location.
  - Maintain bank statements with imaged copies of both front and backsides of checks.
  - Approve and review all disbursements prior to payment. In addition, the lapse of time between approval of expenditures and the actual disbursement should be limited.
  - Adhere to purchasing procedure requirements and guidelines set forth by the Department for Local Government's (DLG) State Local Finance Officer Policy Manual.

*County Judge/Executive Randy Thompson's Response: Will attempt to comply, we are a small county with a small multi-tasking staff, sometimes things accidentally get over-looked.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-10 The County Should Maintain Complete And Accurate Capital Asset Schedules To Comply With GASB 34 Requirements**

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The County did not have a completed capital asset schedule for fiscal year ending June 30, 2008. A list of capital asset additions and disposals were not properly maintained. A schedule of additions should be maintained as assets are purchased to simplify the process of updating the capital asset schedule. The schedule should include the date the asset is acquired, a description of the asset, the vendor name, and the amount. Invoices for asset acquisition and invoices for all other disbursements should be kept on file in a manner that allows retrieval of the original invoice for review and verification as needed by management and auditors. Further, we believe that the capital asset listing should be monitored and maintained on a regular basis. As new assets are acquired they should be added to the listing. As equipment is disposed of it should be removed from the listing. We recommend that the County maintain complete and accurate capital assets schedules to comply with GASB 34 requirements.

We further recommend that the fiscal court should take a physical inventory of its capital assets on a regular basis (such as every two to three years) or at the beginning of a new administration to ensure that only active, in-service machinery and equipment is included on the County's financial statements. This will ensure that fixed assets are properly stated and that depreciation is being calculated from a reliable listing.

*County Judge/Executive Randy Thompson's Response: Duly noted, will try to do better in this area.*

**2008-11 The County Does Not Maintain Proper Documentation Totaling \$18,000 For Independent Contractors**

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During our testing of payroll, we noted one independent contractor retained by the county to provide services has a written agreement with the county for the scope of the services to be performed, however, the details of the service are vague and documentation required for the submission of invoices for payment is little or none. The contractor, a corporation, was paid \$18,000. The contractor was approved by the fiscal court to be paid a monthly amount.

In order for this contractor to be paid, an invoice detailing the services provided on a monthly basis should be maintained and monitored to ensure the safeguarding of assets. Supporting documentation should be maintained with the invoices for time and expenses incurred for the services provided. We recommend the fiscal court require the submission of supporting documentation as indicated within the county's administrative code for services performed in order to minimize any loss of assets.

*County Judge/Executive Randy Thompson's Response: Steps have been taken to provide better documentation for scope of work provided and expected.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**B. FINDINGS - FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-12 Fiscal Court Paid \$708 In Late Fees On Credit Card Payments**

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During the course of our testing, we noted that many invoices were paid past the due date, especially for the Knott County Fiscal Court and Human Services Center. Payments for credit cards used by the employees included \$708 in late fees. We further noted in several instances the supporting documentation (i.e. cash register receipts) were not maintained or reconciled to the statements and an outstanding balance remained unpaid on the accounts. We also noted that the credit limits of two (2) of the vendors used for credit cards seemed excessive when compared to the average amount purchased each month. The average purchase amounts on the cards on a monthly basis are approximately \$500; however the credit line on one card is \$9,500 and \$22,500 on the other. The latter one also has a cash line limit of \$4,500. Based upon the documentation we could not determine the number of cards that were available on either of these accounts or the employees assigned to these cards.

Strong internal controls dictate that there be procedures in place that reconcile monthly credit card receipts submitted by employees to the credit card statements. A strong mitigating control is to remove cash availability on any credit card and maintain the credit limits commiserate with the needs of the county.

We recommend that the fiscal court implement procedures to eliminate the excessive credit lines ensure proper authorization and use of the credit cards and to reconcile the credit card receipts to the credit card statements on a monthly basis.

*County Judge/Executive Randy Thompson's Response: Will try to pay timely, sometimes bills arrive day after court meeting.*

**2008-13 The Fiscal Court Should Require Depository Institutions To Pledge Or Provide Sufficient Collateral To Protect Deposits**

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On July 31, 2007 and April 30, 2008, \$364,655 and \$654,095, respectively, of the Fiscal Court's deposits of public funds in depository institutions were uninsured and unsecured. According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with Federal Deposit Insurance Corporation insurance, equals or exceeds the amount of public funds on deposit at all times. The Fiscal Court and Depository Institution had a written agreement stating the Depository Institution would provide adequate collateral to protect the Fiscal Court's deposits. Even though this written agreement existed, the Depository Institution did not provide enough collateral. We recommend the Fiscal Court require the Depository Institution to pledge or provide collateral in an amount sufficient to secure deposits of public funds at all times and that the Treasurer request collateral statements periodically to monitor the Depository Institution's compliance with this agreement.

*County Judge/Executive Randy Thompson's Response: None.*

**KNOTT COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Fiscal Year Ended June 30, 2008**  
**(Continued)**

**C. FINDINGS - FEDERAL AWARDS**

None.

**D. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:**

**FEDERAL AWARD FINDINGS:**

**2005-14 Knott County Fiscal Court Did Not Earmark \$49,223 Of Federal Receipts Or Provide \$11,180 In Matching Funds For Federal Expenditures**

The County has not corrected.

**2005-20 County Records Show That During The Fiscal Year, \$25,945 Was Paid From The 2001 Flood Account For Ineligible Work**

The County has not pursued recovery of these funds erroneously paid to the vendor.

